



Legislation Details (With Text)

File #:	22-2525	Version:	1	Name:	
Type:	MISCELLANEOUS HEARINGS	Status:		Hearing Closed	
File created:	10/18/2022	In control:		Office of Economic Development	
On agenda:	11/9/2022	Final action:			
Title:	<p>A public hearing to receive comments on the proposed amendments to the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Tax Increment Reinvestment Zone Number Three, the Oak Cliff Gateway Tax Increment Financing ("TIF") District (the "TIF District" or the "Zone") to: (1) increase the geographic area of the TIF District by approximately 244 acres including: (a) expanding the Bishop/Jefferson Sub-District by approximately 96 acres in an area generally along Jefferson Boulevard from Storey Street to 6th Street west of IH-35 and (b) adding the Clarendon/Beckley/Kiest Sub-District with approximately 148 acres in an area including the future Southern Gateway Deck Park at IH-35 between Marsalis Avenue and Ewing Avenue and generally along Clarendon Drive from Moore Street to Beckley Avenue and along Beckley Avenue from Clarendon Drive to just north of Kiest Boulevard; (2) establish a termination date for the Clarendon/Beckley/Kiest Sub-District of December 31, 2052; (3) establish the percentage of tax increment contributed by the City of Dallas during the term of the Clarendon/Beckley/Kiest Sub-District at 90%; (4) authorize an amendment to the participation agreement with Dallas County to request the County's participation in the Clarendon/Beckley/Kiest Sub-District; (5) create a new budget category for the Clarendon/Beckley/Kiest Sub-District; (6) create a new budget category for the TIF District for homeowner stabilization, home repair, and displacement mitigation; (7) extend the termination date of the Oak Cliff Gateway Sub-District from December 31, 2027 to December 31, 2044 and reduce the City's participation rate from 85% to 50% during the extended term; (8) increase the total budget for the TIF District from \$28,621,027 net present value (approximately \$76,665,998 in total dollars) to \$99,381,853 net present value (approximately \$352,993,541 in total dollars); (9) increase the budget capacity of the Oak Cliff Gateway Sub-District and the Bishop/Jefferson Sub-District to retain a portion of future tax increment to support future applications for project funding and annually transfer a portion of future tax increment to the following new budget categories: (a) budget line item for homeowner stabilization, home repair, and displacement mitigation programs and (b) Clarendon/Beckley/Kiest Sub-District; and (10) make corresponding modifications to the TIF District's boundary, budget, and Plan; and, at the close of the public hearing, consider an ordinance amending Ordinance No. 21466, as amended, previously approved on November 11, 1992, and Ordinance No. 23033, as amended, previously approved on February 12, 1997, to reflect these amendments - Financing: No cost consideration to the City</p>				

Sponsors:

Indexes: 1, 4

Code sections:

Attachments: 1. Map, 2. Ordinance, 3. Exhibit A, 4. Exhibit B

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Economic Development

AGENDA DATE: November 9, 2022

COUNCIL DISTRICT(S): 1, 4

DEPARTMENT: Office of Economic Development

EXECUTIVE:

Majed Al-Ghafry

SUBJECT

A public hearing to receive comments on the proposed amendments to the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Tax Increment Reinvestment Zone Number Three, the Oak Cliff Gateway Tax Increment Financing ("TIF") District (the "TIF District" or the "Zone") to: **(1)** increase the geographic area of the TIF District by approximately 244 acres including: (a) expanding the Bishop/Jefferson Sub-District by approximately 96 acres in an area generally along Jefferson Boulevard from Storey Street to 6th Street west of IH-35 and (b) adding the Clarendon/Beckley/Kiest Sub-District with approximately 148 acres in an area including the future Southern Gateway Deck Park at IH-35 between Marsalis Avenue and Ewing Avenue and generally along Clarendon Drive from Moore Street to Beckley Avenue and along Beckley Avenue from Clarendon Drive to just north of Kiest Boulevard; **(2)** establish a termination date for the Clarendon/Beckley/Kiest Sub-District of December 31, 2052; **(3)** establish the percentage of tax increment contributed by the City of Dallas during the term of the Clarendon/Beckley/Kiest Sub-District at 90%; **(4)** authorize an amendment to the participation agreement with Dallas County to request the County's participation in the Clarendon/Beckley/Kiest Sub-District; **(5)** create a new budget category for the Clarendon/Beckley/Kiest Sub-District; **(6)** create a new budget category for the TIF District for homeowner stabilization, home repair, and displacement mitigation; **(7)** extend the termination date of the Oak Cliff Gateway Sub-District from December 31, 2027 to December 31, 2044 and reduce the City's participation rate from 85% to 50% during the extended term; **(8)** increase the total budget for the TIF District from \$28,621,027 net present value (approximately \$76,665,998 in total dollars) to \$99,381,853 net present value (approximately \$352,993,541 in total dollars); **(9)** increase the budget capacity of the Oak Cliff Gateway Sub-District and the Bishop/Jefferson Sub-District to retain a portion of future tax increment to support future applications for project funding and annually transfer a portion of future tax increment to the following new budget categories: (a) budget line item for homeowner stabilization, home repair, and displacement mitigation programs and (b) Clarendon/Beckley/Kiest Sub-District; and **(10)** make corresponding modifications to the TIF District's boundary, budget, and Plan; and, at the close of the public hearing, consider an ordinance amending Ordinance No. 21466, as amended, previously approved on November 11, 1992, and Ordinance No. 23033, as amended, previously approved on February 12, 1997, to reflect these amendments - Financing: No cost consideration to the City

BACKGROUND

The Zone was designated by City Council in 1992 to encourage development in the north Oak Cliff area immediately south of I-30 and west of the Trinity River. However, the pace of growth was slower than expected for many years following the initial designation. Some early redevelopment projects, such as Lake Cliff Tower, helped to demonstrate the area's potential, but it took more time for significant development to begin to occur. In 2008, the Zone's term was extended for an additional ten years and, in 2015, for an additional five years. The additional time was needed to provide funding for infrastructure and gap financing needs associated with future planned development within the area.

In 2014, the Zone was amended by City Council to create the Bishop/Jefferson Sub-District with a term through December 31, 2044. The expanded Zone boundary has helped to facilitate new development along the Dallas Streetcar line and in the Bishop Arts District.

Since 1992, the Zone's value has grown to approximately \$1.1 billion, an increase of \$982 million over the Zone's adjusted base year value of \$145.8 million. To date, the Zone has directly invested in the development of 929 residential units (completed or under construction), including of 313 affordable units and 61,523 square feet of retail/commercial/flex space. In addition, the Zone has been a catalyst to spur additional development of over 3,000 residential units and 599,000 square feet of commercial space.

For almost two years, Staff has been working on this proposal to amend the Zone's Project Plan and Reinvestment Zone Financing Plan ("Plan"). A primary component of the proposal is to expand the TIF District by approximately 244 acres, including (1) creation of a new Clarendon/Beckley/Kiest Sub-District to include the future Southern Gateway Deck Park ("SGDP") and vacant/underutilized commercial properties ripening for redevelopment on the east side of the SGDP and (2) expansion of the Bishop /Jefferson Sub-District to include properties along the Jefferson Boulevard corridor and encourage linkages to the SDGP. Staff's proposed Plan amendments will allow for tax increment sharing to support the capital needs of the SGDP and redevelopment projects east of IH-35.

Staff's proposal has been guided by four basic objectives: (1) provide funding capacity to support the SGDP with capital improvement needs and to further supplement/leverage other City, state, federal, and private funding, (2) provide funding capacity to support public infrastructure connectivity improvements to the SGDP such as enhanced sidewalks and bike lanes on the west and east side of IH-35, (3) provide funding capacity to facilitate redevelopment projects on vacant/underutilized properties, including new mixed-income housing, neighborhood commercial revitalization, and enhanced public infrastructure improvements, and (4) provide funding capacity for programs addressing homeowner stabilization, home repair, and displacement mitigation.

On September 19, 2022, the Oak Cliff Gateway TIF Board of Directors ("TIF Board") reviewed and discussed staff's preliminary proposal to amend the Plan. On September 26, 2022, the TIF Board reviewed and unanimously approved the final proposal to amend the Plan as recommended by staff, including findings that: (a) the unimproved and underutilized property in the proposed expansion area substantially arrests or impairs the sound growth of the City, (b) development or redevelopment in the proposed expansion area will not occur solely through private investment in the foreseeable future, and (c) inclusion of the proposed expansion area will have an overall benefit to the Zone and the City.

Pursuant to the Tax Increment Financing Act, as amended, VTCA Texas Tax Code, Chapter 311 (the "Act"), a public hearing is required if an amendment proposes to reduce or increase the geographic area of the zone, increase the amount of bonded indebtedness to be incurred, increase or decrease the percentage of a tax increment to be contributed by a taxing unit, increase the total estimated project costs, or designate additional property in the zone to be acquired by the municipality.

This public hearing is being held to hear comments on the proposed amendments to the Plan for the Zone as listed in the Subject above.

Conservative estimates for anticipated future development in the proposed expansion area include approximately 2,150 residential units and 230,00 square feet of retail/commercial space (revitalized existing space and new construction). New taxable value in the proposed expansion area is estimated at approximately \$482 million (in addition to new future development anticipated in the existing portion of the Zone).

The 2022 estimated taxable value of the proposed expansion area is \$131,352,970. If approved by City Council, the Plan amendment would adjust the base value of the Zone from \$145,852,742.00 to \$277,205,712.00 to reflect the added property. The base value may be adjusted based on final Dallas Central Appraisal District (DCAD) 2022 values and any corrections.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 11, 1992, City Council authorized the establishment of the Oak Cliff Gateway TIF District by Resolution No. 92-3946 Ordinance No. 21466, as amended.

On February 12, 1997, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Oak Cliff Gateway TIF District by Resolution No. 97-0483; Ordinance No. 23033, as amended.

On September 26, 2022, the Oak Cliff Gateway TIF District Board of Directors reviewed and unanimously recommended City Council approval of the proposed amendments to the Oak Cliff Gateway TIF District's Plan.

The Economic Development Committee was briefed regarding this matter on October 3, 2022.

On October 26, 2022, City Council authorized a public hearing to be held on November 9, 2022 to receive public comments on the proposed amendments to the Oak Cliff Gateway TIF District's Plan.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached