Legislation Details (With Text)

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Type:	CONSENT AGENDA			**Status:**	Approved
File created:	1/25/2024			**In control:**	Office of Economic Development
On agenda:	2/14/2024			**Final action:**	
Title:	Authorize a public hearing to be held on February 28, 2024, to receive comments on the proposed amendments to the Project Plan and Reinvestment and Reinvestment Zone Financing Plan (“Plan”) for Tax Increment Reinvestment Zone Number Twelve, the Deep Ellum Tax Increment Financing (“TIF”) District (the “TIF District”) to: (1) increase the total budget for the Deep Ellum TIF District from $29,992,935.00 net present value (approximately $57,641,077.00 in total dollars) to $46,408,080.00 net present value (approximately $93,519,023.00 in total dollars); (2) redefine and reallocate budget categories; and (3) make corresponding modifications to the TIF District’s Plan; and, at the close of the public hearing, consider an ordinance amending Ordinance No. 26043, previously approved on June 22, 2005, and Ordinance No. 26304, previously approved on April 12, 2006, as amended, to reflect these amendments - Financing: No cost consideration to the City				
Sponsors:					
Indexes:	14, 2, 7				
Code sections:					
Attachments:	1. Map				

Date	Ver.	Action By	Action	Result

STRATEGIC PRIORITY: Economic Development

AGENDA DATE: February 14, 2024

COUNCIL DISTRICT(S): 2, 7, 14

DEPARTMENT: Office of Economic Development

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a public hearing to be held on February 28, 2024, to receive comments on the proposed amendments to the Project Plan and Reinvestment and Reinvestment Zone Financing Plan (“Plan”) for Tax Increment Reinvestment Zone Number Twelve, the Deep Ellum Tax Increment Financing (“TIF”) District (the “TIF District”) to: **(1)** increase the total budget for the Deep Ellum TIF District from $29,992,935.00 net present value (approximately $57,641,077.00 in total dollars) to $46,408,080.00 net present value (approximately $93,519,023.00 in total dollars); **(2)** redefine and reallocate budget categories; and **(3)** make corresponding modifications to the TIF District’s Plan; and, at the close of the public hearing, consider an ordinance amending Ordinance No. 26043, previously approved on June 22, 2005, and Ordinance No. 26304, previously approved on April 12, 2006, as amended, to reflect these amendments - Financing: No cost consideration to the City

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BACKGROUND

The Deep Ellum TIF District was established by Ordinance No. 26043 on June 22, 2005, to assist in the transformation of the Deep Ellum area into a more diversified, pedestrian friendly, mixed-use neighborhood and improve the urban fabric and connections between Central Expressway and Fair Park.

The Deep Ellum TIF District's taxable value has increased 651% over the adjusted base year, accounting for $1,231,717,803.00 in captured taxable value. Given the strong property value growth, it is anticipated that the TIF District's $29,992,935.00 budget cap will be reached before the TIF District's scheduled termination at the end of 2027. In contrast, the abutting Grand Park South TIF District, which was also created in 2005 and is scheduled to terminate December 31, 2035, has experienced only $87 million in captured value and is unlikely to reach its budget cap within the existing term.

As a win-win for both the Deep Ellum TIF District and the Grand Park South area, staff has proposed amendments to the Deep Ellum TIF District Plan that would increase the budget capacity of the Deep Ellum TIF District while keeping the scheduled termination date (December 31, 2027) unchanged. The proposed Plan amendments are designed to provide funding capacity to (a) fund close-out projects within the Deep Ellum TIF District, including implementing planned cultural initiatives; (b) fund homeowner stabilization and implement mixed-income housing in and surrounding the Deep Ellum TIF District; (c) fund areas of public assembly (i.e. parks/open space) in and out of the Deep Ellum TIF District; and (d) fund assistance to the Grand Park South neighborhoods adjacent to the south, improving area infrastructure and reconnecting neighborhoods.

The proposed amendments to the Plan would utilize increment generated by the Deep Ellum TIF District between 2023 collections and termination (2027) as follows:

1) Retain 60% of Deep Ellum TIF District's annual increment for close-out district-wide projects and mixed-income housing projects

2) Transfer 20% of Deep Ellum TIF District's annual increment to the City's Department of Housing and Neighborhood Revitalization to support programs addressing homeowner stabilization, home repair, and displacement mitigation as well as possible mixed-income housing development intended for use in the Grand Park South area

3) Set aside 20% of Deep Ellum TIF District's annual increment to support Grand Park South area infrastructure improvements and areas of public assembly (i.e., parks/open spaces)

Pursuant to the Tax Increment Financing Act, as amended, Texas Tax Code, Section 311 (the "Act"), a public hearing is required if an amendment proposes to reduce or increase the geographic area of a TIF district, 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 TIF district to be acquired by the municipality. Per the Act, notice of the public hearing will be published in Dallas Morning News, a daily newspaper of general circulation in the City, at least seven days before the date of the public hearing.

This action authorizes a public hearing to be held on February 28, 2024, to hear comments on the proposed amendments to the Plan for the Deep Ellum TIF District.

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PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 22, 2005, the City Council authorized the creation of Tax Increment Financing Reinvestment Zone Number Twelve, the Deep Ellum TIF District, in accordance with the Tax Increment Financing Act, as amended, Texas Tax Code Section 311, by Resolution No. 05-1971; Ordinance No. 26043.

On April 12, 2006, the City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Deep Ellum TIF District by Resolution No. 06-1077; Ordinance No. 26304.

On April 9, 2008, the City Council authorized amendments to the Project Plan and Reinvestment Zone Financing Plan for the Deep Ellum TIF District to include the Latino Cultural Center and selected and adjacent properties by Resolution No. 08-1081; Ordinance No. 27136.

On June 22, 2011, the City Council authorized amendments to the Project Plan and Reinvestment Zone Financing Plan for the Deep Ellum TIF District to allow a directed sale of City-owned property to facilitate implementation of the proposed development plan for the City Lights Project by Resolution No. 11-1753; Ordinance No. 28291.

On September 10, 2014, the City Council authorized amendments to the Project Plan and Reinvestment Zone Financing Plan for the Deep Ellum TIF District to: (1) increase the geographic area to add traditional core area of Deep Ellum (approximately 51.0 acres) to facilitate the development of the Deep Ellum Crossroads project and encourage further redevelopment of the TIF District; and (2) increase the budget of the Deep Ellum TIF District from $27,162,083.00 NPV ($51,706,392.00 total dollars) to $29,992,935.00 NPV ($57,641,077.00 total dollars) by Resolution No. 14-1519; Ordinance No. 29469.

On December 5, 2023, the Board of Directors of the Deep Ellum TIF District reviewed and unanimously recommended City Council approval of the proposed amendments to the Project Plan and Reinvestment Zone Financing Plan for the Deep Ellum TIF District.

The Economic Development Committee will be briefed regarding this matter on February 5, 2024.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached

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