



Legislation Text

File #: 20-2247, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: December 9, 2020
COUNCIL DISTRICT(S): 8, 12
DEPARTMENT: Office of Economic Development
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

An ordinance authorizing **(1)** the Project Plan and Reinvestment Zone Financing Plan (the "Plan") for Tax Increment Financing Reinvestment Zone Number Twenty-One ("University TIF District"); and **(2)** a participation agreement with Dallas County for Tax Increment Financing Reinvestment Zone Number Twenty One - Financing: No cost consideration to the City

BACKGROUND

On December 13, 2017, pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "TIF Act"), City Council designated the University TIF District (the "District" or "Zone") and established a Board of Directors (the "TIF Board") by Ordinance No. 30733.

The District was created to encourage the sustainable development of vacant and underutilized properties near three major North Texas universities while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.

As allowed by the TIF Act, the District comprises two non-contiguous sub-districts: (1) the University Center Sub-District in northern Dallas and (2) the University Hills Sub-District in southern Dallas.

One of the primary features of this non-contiguous District linking northern and southern Dallas is the sharing of tax increment that is intended to provide funding necessary for the provision of public infrastructure in the underserved University Hills area that would not otherwise occur.

With the assistance of the University TIF District, higher quality development along with public open space and transit connections will be greater than without the District. Further, by overseeing development in the University Hills area, the City can best protect City resources and ensure that public funding is used appropriately.

The University Center Sub-District is generally located east of Coit Road, west of Waterview Parkway, and south of the Dallas Area Rapid Transit ("DART") rail line (future Cotton Belt Silver Line of the DART Rail System).

The University Center Sub-District encompasses approximately 161 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Sub-District was \$44.5 million based on information from the Dallas Central Appraisal District and Collin Central Appraisal District (“CCAD”). In accordance with the forwardDallas! Comprehensive Plan Vision, the University Center Sub-District will increase opportunities for owner-occupied housing. Based on public research and community workshops, the Dallas community identified an unmet demand for home ownership, including traditional single-family homes that were near mixed-use areas.

The University Hills Sub-District is generally north of Interstate Highway 20 (Lyndon B. Johnson Freeway), west of Lancaster Road, and south of the DART rail line. The University Hills Sub-District encompasses approximately 297 acres, not including rights-of-way. For the base year (tax year 2017), the appraised value of taxable real property in the University Hills Sub-District was \$5,251,337.00 based on information from the DCAD. Development in the University Hills Sub-District will increase the outcomes anticipated by the forwardDallas! Comprehensive Plan Vision and the UNT - Dallas Area Plan by bringing jobs to the area, offering convenient transportation, and providing diverse housing and recreational activities.

As part of the statutory process for TIF districts, the TIF Act requires that a final Project Plan and Reinvestment Zone Financing Plan be developed for the TIF district and approved by the City Council after it has been prepared and adopted by the board of directors of the district.

The District’s final Plan is consistent with the preliminary Plan that was developed for the District prior to the District’s creation in 2017. Minor differences between the final Plan and the preliminary Plan reflect extensive review/refinement of development projections by City staff and by the District’s Board of Directors as well as input from key property owners/stakeholders.

The City’s participation is 90% from 2018 through 2047. A potential scenario for Dallas County participation (for the University Hills Sub-District only) has been presented in this Plan that forecasts County participation at 65% for 20 years in tax years 2025-2044, pending formal approval by the Dallas County Commissioners Court at a later date.

The District’s final Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$124.6 million in total dollars (\$52.6 million Net Present Value 2018 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$8.5 million in total dollars (\$3.4 million Net Present Value 2018 dollars) to the District. The District’s total budget is approximately \$133.2 million (\$55.9 million Net Present Value 2018 dollars).

Under the authority of the TIF Act, the District’s Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, affordable housing, and parks/open space/trails, which is intended to stimulate private investment in the District to occur earlier, to a higher quality, to a greater extent, and with more public benefits than would occur solely through private investment in the reasonably foreseeable future.

It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$934.6 million during the life of the District. This includes approximately \$685.5 million in increased taxable real property value attributable to new private investment and \$249.1 million in increased taxable real property value attributable to property appreciation.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 13, 2017, City Council held a public hearing and authorized the establishment of the University TIF District by Resolution No. 17-1941; Ordinance No. 30733.

On October 6, 2020, the University TIF District Board of Directors adopted the Project Plan and Reinvestment Zone Financing Plan for the University TIF District and forwarded a recommendation of approval to the City Council.

The Economic Development Committee was briefed by memorandum regarding this matter on November 2, 2020.

FISCAL INFORMATION

No cost consideration to the City.

MAPS

Attached