

ORDINANCE NO. 30733

AN ORDINANCE OF THE CITY OF DALLAS, DESIGNATING A CERTAIN AREA AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF DALLAS, TEXAS (THE "UNIVERSITY TIF DISTRICT"); ESTABLISHING A BOARD OF DIRECTORS; ESTABLISHING AN EFFECTIVE DATE; ESTABLISHING A TAX INCREMENT FUND FOR THE UNIVERSITY TIF DISTRICT; PROVIDING A SEVERABILITY CLAUSE; AND ENACTING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Dallas desires to promote the development of the area east of Coit Road, west of Waterview Parkway, and south of the DART rail line (future potential Cotton Belt Line of the DART Rail System) as well as the area generally located north of Interstate Highway 20, west of Lancaster Road, and south of the DART rail line by creating a tax increment financing ("TIF") reinvestment zone, (the "University TIF District"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Tax Code as amended, (the "Act"); and

WHEREAS, owners of property constituting at least 50 percent of the appraised value of property in the area shown in **Exhibits A2-A4**, according to the most recent certified appraisal roll, (the "Owners") submitted a petition requesting that this area be designated as a Tax Increment Financing Reinvestment Zone; and

WHEREAS, these petitions have been verified to be accurate by City staff; and

WHEREAS, in compliance with the Act, the City called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and to the property in the proposed reinvestment zone; and

WHEREAS, in compliance with the Act, notice of such public hearing was published in a daily newspaper of general circulation in the City, such publication date being not later than seven days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 13th day of December, 2017, at 1:00 p.m., at the Council Chamber in the City Hall of the City of Dallas, Texas, which hearing was then closed; and

WHEREAS, the City, at such hearing, invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, as described in **Exhibit A1 (General Boundary Description) and Exhibits A2-A4 (Maps of University TIF District)** attached hereto, whether all or part of the territory which is described and depicted in **Exhibit A1 and Exhibits A2-A4** should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors for the proposed reinvestment zone; and

30733

WHEREAS, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given the opportunity at such public hearing to protest the creation and to protest the inclusion of property in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the reinvestment zone; and

WHEREAS, the City Council finds that the University TIF District area (as shown in **Exhibits A2-A4**) is unproductive and underdeveloped and substantially impairs the sound growth of the municipality and that development or redevelopment of the University TIF District would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City has prepared the preliminary project plan and reinvestment zone financing plan for the proposed zone in conformance with state law.

Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City hereby creates a reinvestment zone over the area generally described in **Exhibit A1** and depicted by the map attached hereto as **Exhibits A2-A4**, and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number Twenty-One, City of Dallas, Texas to be known as the University TIF District.

SECTION 2. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 3. That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law.
- (b) That creation of the proposed reinvestment zone with boundaries as described in **Exhibit A1** and depicted in **Exhibits A2-A4** will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.

30733

SECTION 3. (continued)

- (c) That the preliminary project plan and reinvestment zone financing plan for the District contains a list of proposed public works or public improvements designed to facilitate a mix of new housing, new retail, and other commercial uses, and public infrastructure to support a more pedestrian oriented environment, and funding to help provide public open space.
- (d) That the reinvestment zone, as defined in **Exhibit A1** and **Exhibits A2-A4**, meets the criteria for the creation of a reinvestment zone as set forth in the Act in that:
 - (1) The reinvestment zone is a contiguous or noncontiguous geographic area located wholly within the corporate limits of the City.
 - (2) The area within the reinvestment zone for both sub-districts is unproductive and underdeveloped and substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public welfare in its present condition and use because of the presence of: (1) inadequate street and sidewalk layout; (2) faulty lot layout in relation to size, adequacy, accessibility, or usefulness; (3) vacant land; (4) vacant and/or deteriorating structures; (5) deteriorating public infrastructure; and (6) a lack of parks and open space.
- (e) Linkage of the University Center Sub-District with the University Hills Sub-District permits tax increment sharing to occur that is essential for new residential and commercial development in the University Hills Sub-District due to the area lacking basic infrastructure and facing an unproven real estate market.
- (f) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal roll of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal roll of the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any in accordance with the Act and either does not exceed the City's Financial Management Performance Criteria (FMPC) more restrictive limits, or the FMPC limits are hereby waived.
- (g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City.

30733

SECTION 3. (continued)

- (h) That not more than 30 percent of the property in the proposed reinvestment zone, excluding property that is publicly owned, is used for residential purposes, within the meaning of the Act.
- (i) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 4. That the City hereby creates a reinvestment zone over the area described in **Exhibit A1** and depicted by the map attached hereto as **Exhibits A2-A4**, and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number Twenty-One, City of Dallas, Texas to be known as the University TIF District.

SECTION 5. That a Board of Directors is hereby established for the University TIF District which shall consist of up to nine (9) members. The board of directors for the University TIF District shall be appointed as follows:

- (a) Six members shall be appointed by the City Council, one (1) member shall be appointed by the State Senators Office in whose district the University Hills Sub-District is located, one (1) member shall be appointed by the State Representatives Office in whose district the University Hills Sub-District is located, and one (1) member shall be appointed by Dallas County contingent on a financial commitment to the district and provided, however, that if a jurisdiction waives its right to appoint a member of the board, the City may appoint such a board member in its stead. If Collin County participates in the reinvestment zone, they shall appoint one member and the city's appointees shall be reduced to five.
- (b) The initial Board of Directors shall be appointed by the City and the jurisdictions as provided herein within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet eligibility requirements as set forth in the Act (subject to change if the requirements of the Act necessitate a change).
- (c) The terms of the City-appointed board members shall be for two years. Each year, the Mayor shall nominate a member of the board to serve as chairman of the board of directors, subject to City Council approval, and the board shall elect from its members a vice chairman. The City staff liaison to the board shall serve as the board secretary.

SECTION 5. (continued)

- (d) The Board of Directors shall make recommendations to the City Council concerning the administration of the University TIF District. It shall prepare and adopt a final project plan and reinvestment zone financing plan for the University TIF District and must submit such plans to the City Council for its approval. The Board of Directors shall possess all powers necessary to prepare, implement, and monitor such project plans for the University TIF District, as the City Council considers advisable, including the submission of an annual report on the status of the University TIF District.

SECTION 6. That the University TIF District shall take effect on January 1, 2018 and that the termination of the University TIF District shall occur on December 31, 2047, (including collection of the 2047 increment in calendar year 2048 and any related matters to be concluded in 2048) or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the University TIF District should be terminated due to insufficient private investment, or at such time as all project costs have been paid in full.

SECTION 7. That the tax increment base for the University TIF District, which is the total appraised value of all taxable real property located in the University TIF District, is to be determined as of January 1, 2017, the year in which the University TIF District was designated a reinvestment zone.

SECTION 8. That a tax increment fund is hereby established for the University TIF District which may be divided into such sub accounts as may be authorized by subsequent resolution or ordinance, into which all tax increments produced by the City and any other participating jurisdictions pursuant to the terms of a participation agreement, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited.

The City's final participation level for the Tax Increment Fund will be determined by the final project plan and reinvestment zone financing plan. The tax increment fund and any sub accounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the final project plan and reinvestment zone financing plan, and other revenues to be dedicated to and used in the University TIF District shall be deposited into such fund or sub account from which money will be disbursed to pay project costs for the University TIF District.

SECTION 9. That the University TIF District is designated as a reinvestment zone under Section 311.005(a)(4) of the Act.

30733

SECTION 10. That the total reimbursable project costs to be adopted in the preliminary project plan and reinvestment zone financing plan are estimated to be approximately \$164,803,773 in total dollars (NPV value in 2018 dollars of \$75,904,639).

SECTION 11. That the City has no plans to issue TIF bond sales for the University TIF District.

SECTION 12. That subject to the approval of the City Council, the Board of Directors of the University TIF District, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the City and paid into the tax increment fund for activities that benefit the zone and stimulate business and commercial activity in the zone.

SECTION 13. That existing TIF Program Mixed Income Housing Guidelines will be utilized for the University TIF District. Updates to City housing policies and additional guidelines that may be developed by the TIF Board of Directors may modify these requirements.

SECTION 14. That TIF Program Urban Design Guidelines, that may be updated with specific area considerations, will be utilized for the University TIF District.

SECTION 15. That developers receiving TIF funding shall comply with the City's Business Inclusion and Development (BID) Plan.

SECTION 16. That if any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or un-enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

30733

171941

SECTION 17. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

LARRY E. CASTO
CITY ATTORNEY

By 
Assistant City Attorney

Passed DEC 13 2017

Exhibit A1**General Boundary Description
University TIF District**

The University TIF District shall comprise two non-contiguous sub-districts — the University Center in northern Dallas adjacent to the University of Texas at Dallas and Texas A&M AgriLife Research and Extension Center and the University Hills Sub-District in southern Dallas adjacent to the University of North Texas at Dallas.

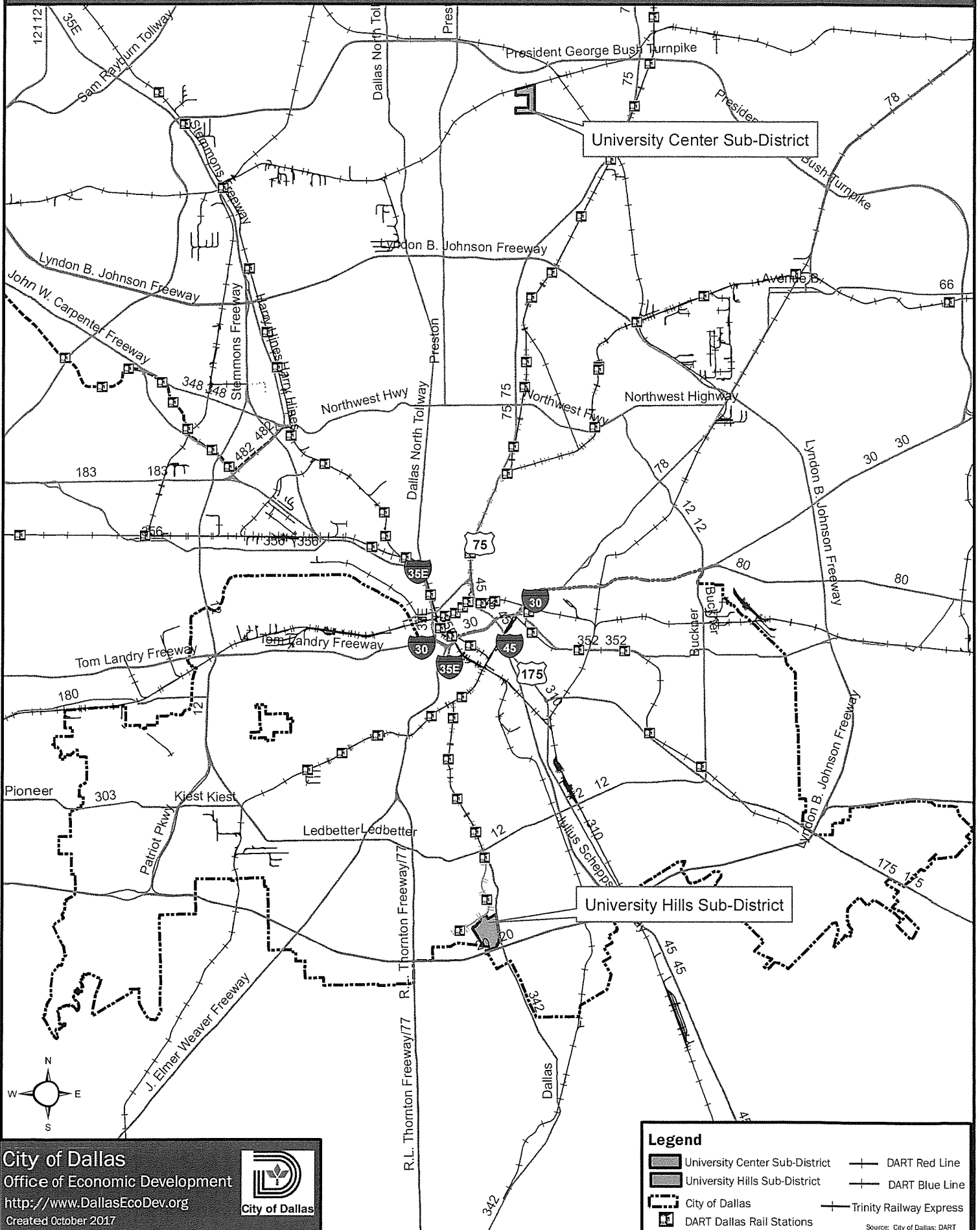
The proposed University Center Sub-District is generally located east of Coit Road, west of Waterview Parkway, and south of the Dallas Area Rapid Transit (DART) rail line (future potential Cotton Belt Line of the DART Rail System). The University Center Sub-District encompasses approximately 161 acres, not including rights-of-way.

The proposed University Hills Sub-District is generally located 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.

District boundaries that follow public streets and highways shall be construed to extend to the far sides of such rights-of-way, except where district boundaries abut another TIF district or the jurisdictional limits of another City. In such cases, the boundary shall run to the centerline of the right-of-way. Boundaries that approximate property lines shall be construed as following such property lines.

See Exhibit A2-A4 for detailed boundary maps.








Exhibit A2- Prop osed University TIF District - Overview Map



City of Dallas
 Office of Economic Development
<http://www.DallasEcoDev.org>
 Created October 2017



Legend

-  University Center Sub-District
-  University Hills Sub-District
-  City of Dallas
-  DART Dallas Rail Stations
-  DART Red Line
-  DART Blue Line
-  Trinity Railway Express

Source: City of Dallas; DART

Exhibit A3 - Proposed University TIF - University Center Sub-District

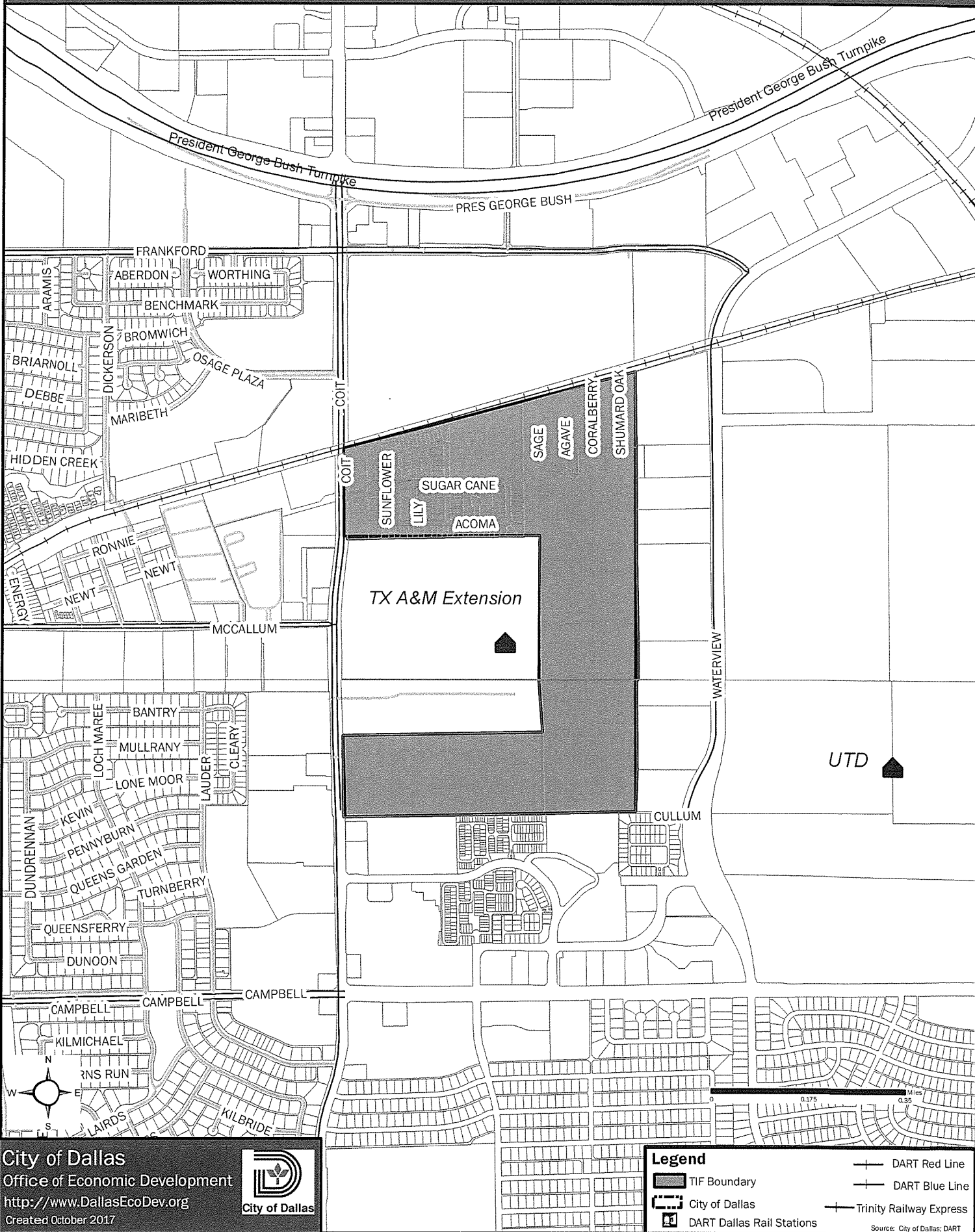
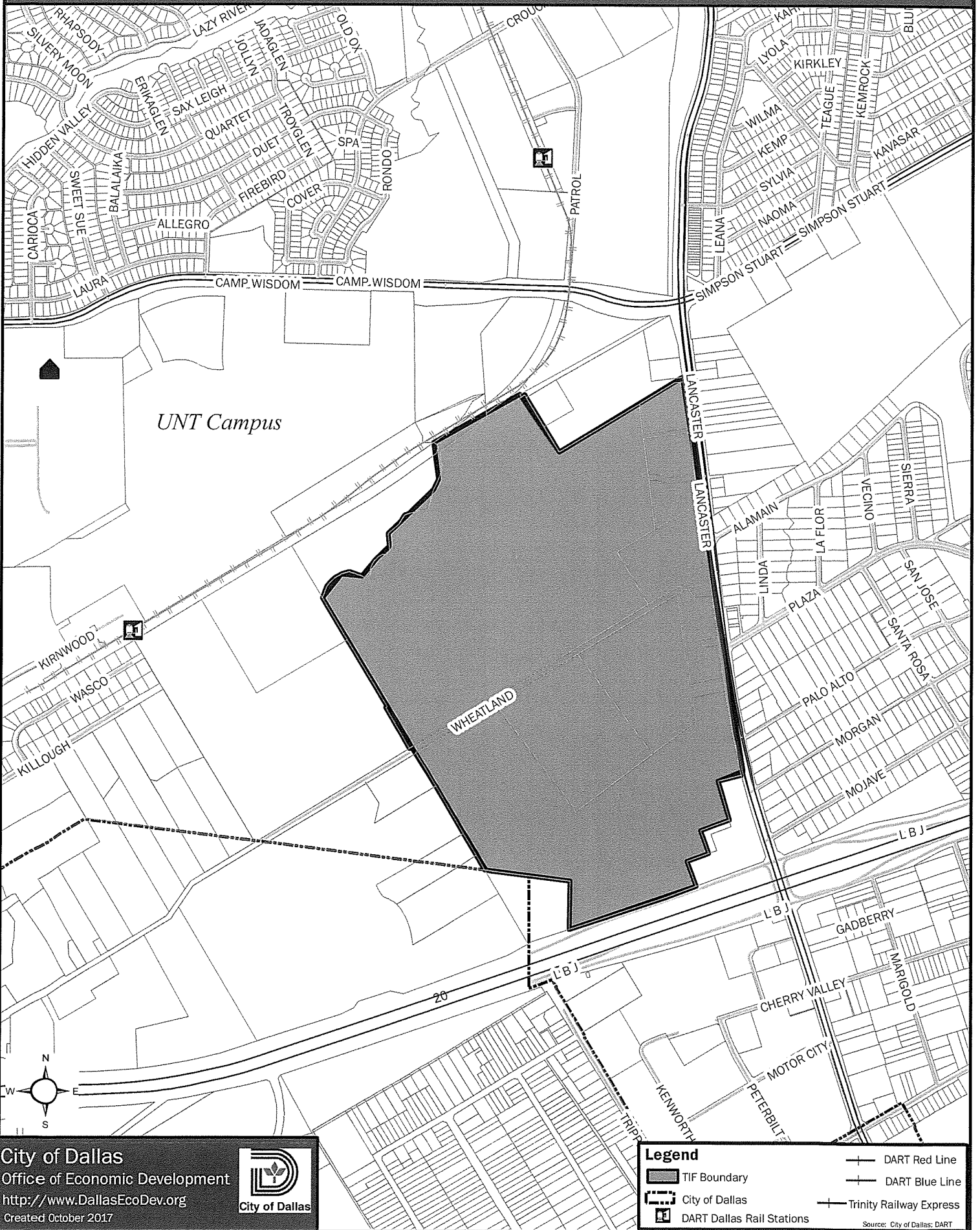



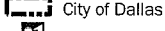


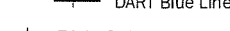
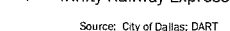
Exhibit A4 - Proposed University TIF - University Hills Sub-District



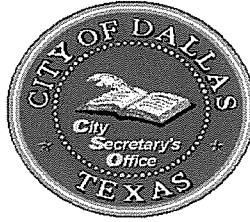
City of Dallas
 Office of Economic Development
<http://www.DallasEcoDev.org>
 Created October 2017



Legend

-  TIF Boundary
-  City of Dallas
-  DART Dallas Rail Stations
-  DART Red Line
-  DART Blue Line
-  Trinity Railway Express

Source: City of Dallas; DART



PROOF OF PUBLICATION – LEGAL ADVERTISING

The legal advertisement required for the noted ordinance was published in the Dallas Morning News, the official newspaper of the city, as required by law, and the Dallas City Charter, Chapter XVIII, Section 7.

DATE ADOPTED BY CITY COUNCIL DEC 13 2017

ORDINANCE NUMBER 30733

DATE PUBLISHED DEC 16 2017

ATTESTED BY: