

ORDINANCE NO. 28279

AN ORDINANCE AMENDING THE CEDARS AREA TIF DISTRICT PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN ("PROJECT PLAN") ORIGINALLY APPROVED ON DECEMBER 9, 1992, BY ORDINANCE NO. 21492, TO: (1) EXTEND THE TERM OF THE TIF DISTRICT FOR A 10-YEAR PERIOD FROM DECEMBER 31, 2012 TO DECEMBER 31, 2022; (2) DECREASE THE CITY OF DALLAS' PARTICIPATION RATE AFTER TAX YEAR 2012 FROM 100% TO 90%; (3) DIRECT THE CITY MANAGER TO NEGOTIATE AN INCREASE IN DALLAS COUNTY'S PARTICIPATION RATE FROM AFTER TAX YEAR 2012 FROM 65% TO 75% AND TO EXECUTE AN AMENDMENT TO THE INTER-LOCAL AGREEMENT BETWEEN THE CITY OF DALLAS AND DALLAS COUNTY TO REFLECT SUCH INCREASE; (4) AMEND THE CEDARS INFRASTRUCTURE IMPROVEMENTS - STREET CONSTRUCTION/ STREETScape/ WATER/WASTEWATER/ DRAINAGE IMPROVEMENTS/ EAST-WEST CORRIDOR CONSTRUCTION BUDGET LINE ITEM TO INCLUDE PUBLIC OPEN SPACES AND ECONOMIC DEVELOPMENT GRANTS; AND (5) MAKE CORRESPONDING MODIFICATIONS TO THE CEDARS PROJECT PLAN TO REFLECT THESE AMENDMENTS.

WHEREAS, on the City recognizes the importance of its role in local economic development; and

WHEREAS, the City Council authorized Ordinance No. 21392, on December 9, 1992, as amended, which created Tax Increment Financing Reinvestment Zone Number Four, City of Dallas, Texas (the "Cedars TIF District") in accordance with V.T.C.A. Tax Code, Chapter 311 ("Act"), as amended; and

WHEREAS, the City Council authorized Ordinance No. 23092, as amended, on April 9, 1997, approving the Project Plan and Reinvestment Zone Financing Plan for the Cedars TIF District, as amended; and

WHEREAS, on May 18, 2011, the Cedars TIF District Board of Directors reviewed and adopted amendments to the Cedars TIF District Project Plan and Reinvestment Zone Financing Plan to: (1) extend the term of the TIF District for a 10 year period from December 31, 2012 through December 31, 2022; (2) decrease the City of Dallas' participation after tax year 2012 from 100% to 90%; (3) direct the City Manager to negotiate an increase in Dallas County's participation rate after tax year 2012 from 65% to 75% and to execute an amendment to the Inter-local Agreement between the City of Dallas and Dallas County to reflect such increase; (4) to amend the Cedars TIF Infrastructure Improvements - Street Construction/Streetscape/ Water/Wastewater/Drainage Improvements/ East-West Corridor Construction budget line item to include Public Open Spaces and Economic Development Grants; and (5) make corresponding modifications to the Cedars Project Plan to reflect these amendments and recommended the City Council approval of the same.

WHEREAS, on June 6, 2011, the Economic Development Committee was briefed on the proposed Cedars TIF District Plan Amendments and request for TIF funding for 1400 Bellevue GP, LLC. for TIF-eligible public improvements related with the development of the 1400 Bellevue project, in an amount not to exceed \$1,657,916.

WHEREAS, on June 8, 2011, City Council authorized a public hearing to be held on June 22, 2011 to receive comments on amendments to the Tax Increment Financing Reinvestment Zone Number Four (Cedars TIF District) Project Plan and Reinvestment Zone Financing Plan (Project Plan) to: (1) extend the term of the TIF District for a 10 year period from December 31, 2012 through December 31, 2022; (2) decrease the City of Dallas' participation after tax year 2012 from 100% to 90%; (3) direct the City Manager to negotiate an increase in Dallas County's participation rate after tax year 2012 from 65% to 75% and to execute an amendment to the Inter-local Agreement between the City of Dallas and Dallas County to reflect such increase; (4) to amend the Cedars TIF Infrastructure Improvements - Street Construction/Streetscape/Water/Wastewater/Drainage Improvements/ East-West Corridor Construction budget line item to include Public Open Spaces and Economic Development Grants; and (5) make corresponding modifications to the Cedars Project Plan to reflect these amendments.

WHEREAS, notice of the public hearing had been published in a newspaper of general circulation more than seven (7) days before the date of the public hearing;

NOW THEREFORE,

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

SECTION 1. That the City hereby approves the Amended Cedars TIF District Project Plan as set forth in **Exhibit A** attached hereto.

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 amendments Cedars TIF District Project Plan described in **Exhibit A** are feasible and will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners included in the Cedars TIF District.

SECTION 4. That the amended Cedars TIF District Project Plan meets the criteria for the creation of a reinvestment zone as set forth in the Act.

SECTION 5. That the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph, or section is declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, the unconstitutional or invalidity will not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since the same would have been enacted without the incorporation of any unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 6. That Ordinance Nos. 21492 and 23092 and the Original Plan, as previously amended, shall remain in full force and effect, save and except as amended by this Ordinance or the Amended Plan.

SECTION 7. 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:

THOMAS P. PERKINS, JR.
CITY ATTORNEY

By 
Assistant City Attorney

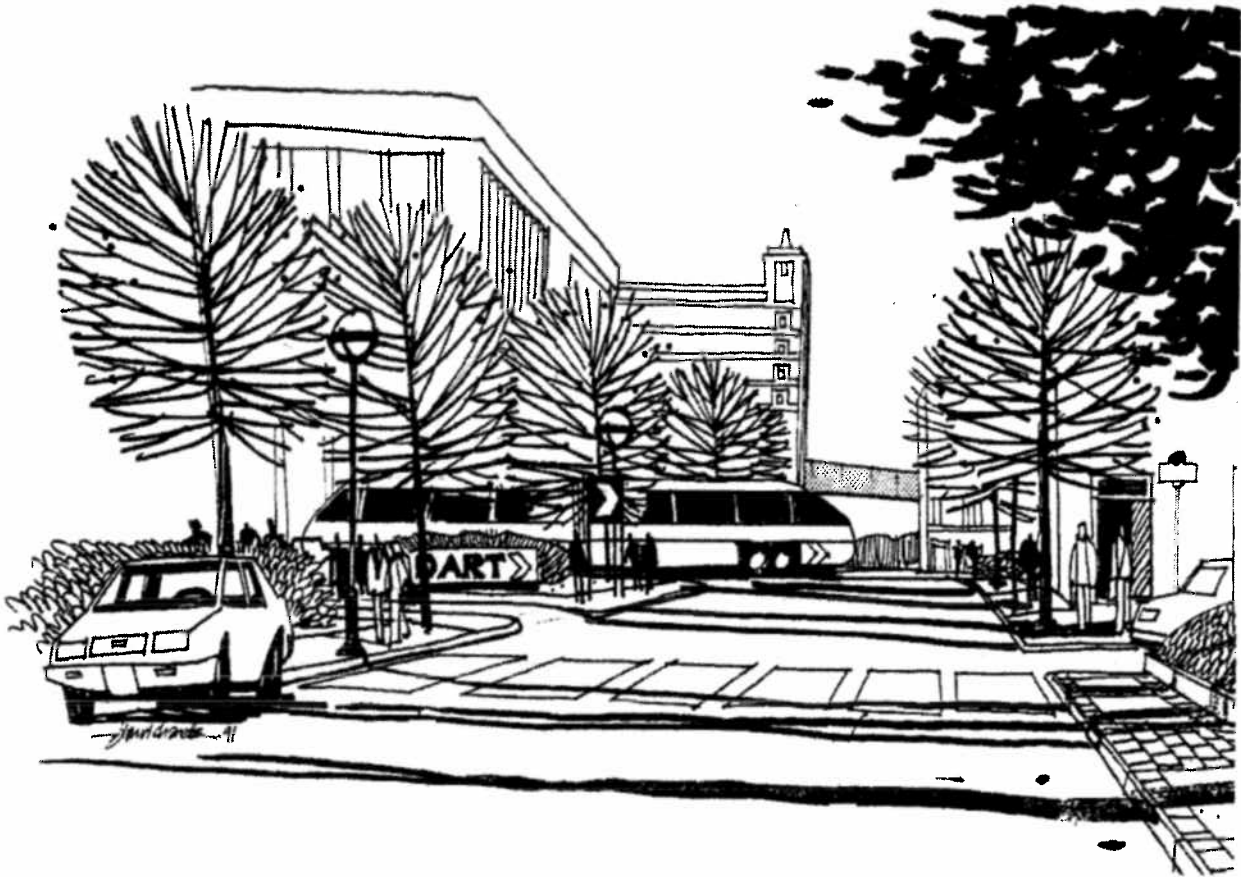
Passed JUN 22 2011

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Cedars

Tax Increment Financing District



Project Plan & Reinvestment Zone Financing Plan

Approved – April 9, 1997
Amended – August 25, 1999
Amended – August 9, 2006
Amended – June 22, 2011

Framework of Plan

- Section 1. EXECUTIVE SUMMARY** of the Cedars Project Plan and Reinvestment Zone Financing Plan contains an overview of the report and appendix.
- Section 2. PROJECT PLAN** provides a description of the planned public improvements, including a detailed project budget. Also the near term and long term expectations for private development are presented.
- Section 3. REINVESTMENT ZONE FINANCING PLAN** includes an explanation of tax increment financing, the financing strategy and the assumptions on which the plan for the Cedars TIF is based. Also, the financial feasibility of the TIF is examined along with financial policies, which have been adopted by the Cedars TIF District Board of Directors.

An APPENDIX section includes related studies and analysis including:

- Appendix 1 Cedars TIF District Design Guidelines
- Appendix 2 Cedars Zoning Documents
- Appendix 3 Cedars TIF District Preliminary Plan
- Appendix 4 TIF Requirements
- Appendix 5 Cedars Cross District Traffic Study
- Appendix 6 Cedars Tax Roll - Current

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SECTION 1 - OVERVIEW/EXECUTIVE SUMMARY

The Cedars Tax Increment Financing (TIF) District represents an important opportunity for the City of Dallas to redevelop an attractive business and residential community, which will serve as an extension of the Central Business District and the Downtown Area. Completion of the DART Light Rail Station on Bellevue and the commencement of service through that facility have virtually linked the Cedars to every major portion of the City and the Metroplex. This gateway community can boost job creation in the area and build on growth Downtown and the continuing growth and success of activities at the Dallas Convention Center, Dallas Heritage Village and the Farmers Market.

The Cedars community occupies a prime location for redevelopment activity south of Downtown Dallas and stands to capitalize on its proximity to the Dallas Convention Center and major transportation arteries. This area provides a superior location for new residential and commercial development. Creation of the TIF district has helped to promote this redevelopment by utilizing public investment to attract and underwrite private investment. Development within the District has occurred at a slower rate than originally anticipated. In order to better achieve the goals of the TIF District, this amended plan authorizes a ten-year term extension for the District from December 31, 2012, to December 31, 2022, as well as increased TIF funding.

The Cedars TIF District is located adjacent to Downtown Dallas on a bluff overlooking the Trinity River. The District is bounded by Interstate 30 on the north, Lamar Street and the Trinity River on the west, Corinth Street on the south, and Harwood Street on the east. Just beyond Harwood Street on the east is I-45/US 75. The District is immediately adjacent to I-30 and I-45, which puts one accessible to every major transportation artery in the region within 5 minutes driving time. The Cedars is 10 minutes from Dallas Love Field and 25 minutes from Dallas/Fort Worth International Airport. **(See Exhibit A.)**

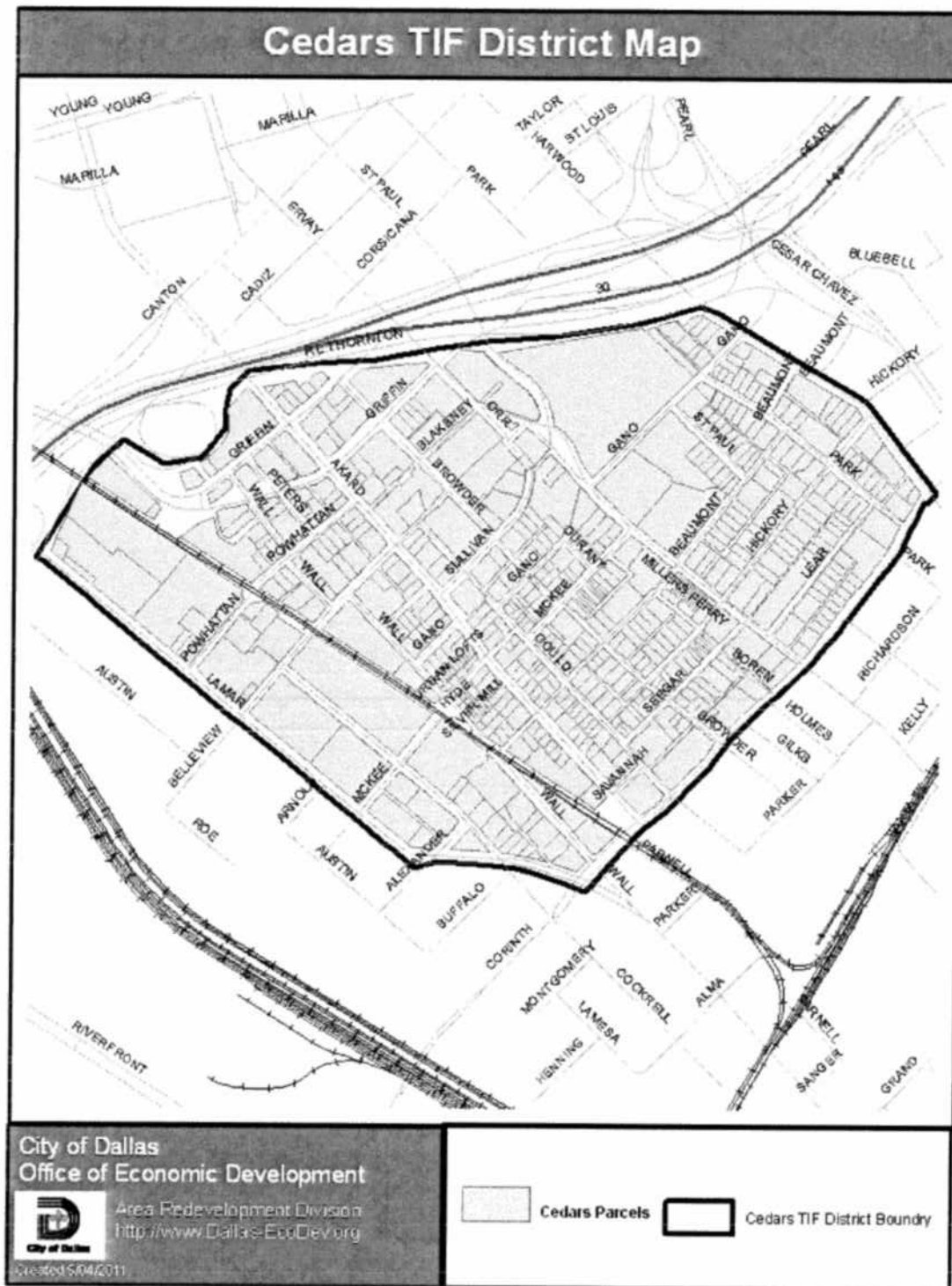
Planned Private Development

The Cedars TIF development program includes:

- 700 residential units
- 400 hotel/motel rooms
- 55,000 square feet of additional retail space
- 300,000 square feet of service center/flex office space

Increment collections in the Cedars TIF District have fallen well below initial projections. However, development interest in the area began to pick up in 2005. The 10-year extension will allow for additional needed development and this will generate a net present value of \$7,216,097 in tax increment revenue, which will be reinvested in the District.

Exhibit A
Cedars TIF District Boundary Map

**Exhibit A**

Reinvestment Zone Project Plan and Financing Plan
 Cedars TIF District

Public Improvement Plan

The public improvements plan provides for approximately \$7,216,097 (net present value) of streetscape, pedestrian amenities, distinctive street lighting, new infrastructure, new roadway, and public-use improvements. The improvements planned for the Cedars TIF District are designed to meet the long-term public needs to secure the growth and investment of the area. Planned improvements will focus on three major transportation corridors - Akard Street, Lamar Street and Ervay Street and improvements to east - west traffic flow at Bellevue Street.

Financing Plan

The financing plan developed by the Board provides for approximately \$7,216,097 (NPV in 1992 dollars) or \$23,797,823 in total dollars in public improvement to be paid for with TIF funds or in expected TIF collections. The financing plan allows for the sale of TIF Bonds funds if it promotes the financial interest of the City of Dallas and the Cedars TIF District.

Cedars TIF District Project Plan Improvements Budget

Project costs are public improvements paid or reimbursed by TIF.
Project costs may be changed in subsequent project and financing plans.

Category	Approved TIF Budget (1992 Dollars)	Approved TIF Budget (Estimated)	Proposed TIF Budget (Estimated)
Infrastructure Improvements - Street Construction/Streetscape/ Water/Wastewater/Drainage Improvements/ East-West Corridor Construction/ <u>Public Open Spaces/Economic Development Grants</u>	\$4,356,097	\$17,155,840	\$20,110,586
Environmental Remediation	\$1,000,000	\$1,000,000	\$1,000,000
Education/ Educational Facility Improvements/ Public Improvements Adjacent to Educational Facilities	\$1,500,000	\$1,500,000	\$1,500,000
TIF Administration	\$360,000	\$1,032,089	\$1,187,237
TOTAL	\$7,216,097	\$20,687,929	\$23,797,823

All values discounted to 1992 Dollars at 5.00% annually. Actual expenditure value will depend on timing of project cost.

Special Studies: Design Guidelines

Design Guidelines for the Cedars TIF District were prepared by HOK in coordination with the TIF Board, and in conjunction with the development of the Final Project and Reinvestment Zone Financing Plan. The guidelines address the "fixed" elements of the Cedars TIF District plan - those located in the public realm, including the primary street framework, parks/green spaces, and public areas. These guidelines also provide a set

Exhibit A

Reinvestment Zone Project Plan and Financing Plan
Cedars TIF District

of standards to guide the development of individual parcels located in the private realm. They address such issues as architectural massing and form, design of the spaces between buildings, landscape treatments, parking, selection of exterior colors and materials, distinctive lighting, screening, fencing and site security. **(See Appendix 1.)**

Cedars Planned Development District Zoning

The Planned Development District (PDD) is the zoning designation intended to:

- Allow a diversity of land uses and development options.
- Protect the interests of existing property owners.
- Stabilize existing residential areas.
- Establish mandatory design standards for new development.
- Protect sensitive environmental resources in the area.

The PDD will serve as the base zoning, and, as time goes on, it may be adjusted if necessary to accommodate new development projects which conform to the intent of the Final Project Plan and Reinvestment Zone Financing Plan for the Cedars TIF District. The PDD was presented to the Dallas City Council in July 1989, and amended in November 1990 and March 1994. The PDD currently meets the needs of the District as it allows the proposed variety of development envisioned in this plan. **(See Appendix 2.)**

Market Analysis and Development Program

A consultant team prepared an initial market analysis and feasibility study of the Cedars area. It is the basis of the financial plan with updates and modification. The analysis focuses on the need to jump-start development within the TIF, find productive uses for vacant land within the TIF District, and stimulate job creation as a way to encourage economic revitalization and as a way to increase long-term commercial and residential interest in the area and the need to stimulate initial growth. Based on current market research and examination of local development trends, and assuring the development of a targeted implementation program, the following catalyst projects are suggested: hotel/motel development, single and multifamily housing, retail development, office space and existing tenant expansions.

The catalyst projects are designed to create momentum within the TIF District, a key element in attracting potential investment into the community. Once these projects have been successfully completed, market perceptions should change favorably and should help the Cedars TIF District attract further investment.

SECTION 2 - PROJECT PLAN

Summary of Preliminary Plan

The preliminary plan, which was originally prepared in 1992, anticipated that the TIF would generate approximately \$29.2 million. Forecasted development was not sufficient to generate this amount of TIF increment. The original development scenario depicted in the preliminary plan estimated the development and construction of 400 hotel/motel rooms, 1085 new residential units, 300,000 square feet of service center/flex office space, and 55,000 square feet of retail space. The preliminary plan calls for the development to occur in three phases with almost \$25 million occurring in 2004 and 2005 with a TIF development value of approximately \$162 million.

Increment collections in the Cedars TIF District have fallen well below initial projections. However, development interest in the area began to pick up in 2005. The amended plan anticipates that TIF increment will generate a net present value of \$7,216,097 tax increment revenue, which will be reinvested in the District. The final project plan estimates the TIF development value at approximately \$299,407,321 generating approximately \$7,216,097 in TIF revenues in 1992 dollars. The final plan calls for the development of 400 hotel rooms, 55,000 square feet of retail space, 300,000 square feet of service center/flex office space, and 700 additional residential units.

The final plan seeks to capitalize on and link strong points for activity and growth in the Cedars. Dallas Heritage Village, the Dallas Convention Center, the Dallas Police Headquarters, the Cedars DART Light Rail Station, Farmers Market, and Southside on Lamar represent existing and potential major activity centers in and adjacent to the TIF District.

Over 100,000 people a year visit Dallas Heritage Village. Special events and tourism head the list for visitors to the Park. The South Lamar area is an important live music venue featuring such venues at Gilley's Palladium, Brooklyn Jazz Club, and Poor David's Pub. The Dallas Convention Center hosts approximately 3,299 convention events with approximately 3,705,000 people in attendance. The Farmers Market is open daily and supports some 100 vendors with several thousand commercial customers weekly, and approximately 2,000 to 3,000 drive-in and walkthrough customers daily. The Cedars DART Light Rail Station on Bellevue currently connects the Cedars with almost every employment center in the City and does the same regionally with extended service connection via Union Station and the Trinity Express Commuter Rail Line, which offers service to Irving, Fort Worth and D/FW Airport. This final plan serves to tie or link these activity centers in and adjacent to the TIF District through pedestrian amenities and well maintained vehicle traffic corridors.

The impediments to development in the District are many and varied. The number of unattended and poorly maintained properties in the District creates an unattractive environment and often masks the potential of the property. The lack of an east-west

traffic corridor through the center of the District, coupled with the deteriorating infrastructure, exacerbates impediments to investment. The area has become isolated due to perception, even though it has the best proximity to the Central Business District of any other area in the city. This plan will serve to alleviate most, if not all, of the deterrents to development, through image enhancement, infrastructure redesign and improvement, increased code enforcement, more compatible zoning uses and the establishment of formal linkages with Downtown, the Farmers Market and the Dallas Convention Center.

Proposed projects for the life of the TIF are reflected in three components to accommodate development throughout the TIF as it occurs.

- Component I includes increased code enforcement throughout the District with concentration along the primary retail/commercial corridors, (Akard, Lamar, Ervay, and Harwood between I-30 and Corinth); Gateway enhancements on the south side of the rights-of-way of I-30 on Griffin, Akard, and Harwood; supplemental intersection improvements, Akard at Griffin east bound, and Akard at Griffin west bound; paving, streetscape and lighting on Akard between I-30 and Powhatten, paving, (where needed) streetscape and lighting on Griffin (both ways) between I-30 and Ervay. Paving, streetscape and lighting on Ervay between Griffin east and Gano; paving, streetscape and lighting on Gano between Ervay and Harwood, and on Harwood between Gano and I-30. This phase connects the Convention Center, Dallas Heritage Village and the hotel located at 1011 South Akard Street with pedestrian amenities and at the same time will improve the vehicle traffic between those points in the District.
- Component II projects are the extension of Bellevue from Browder east through to Ervay; paving, streetscape and lighting on Bellevue from Lamar to Ervay (provided that improvements are not covered under Police Headquarters construction); paving and streetscape and lighting on Akard from Powhatten to McKee and on Lamar from I-30 to Bellevue (provided the improvements are not covered under the Police Headquarters construction). Additionally, intersection enhancements on Bellevue at Lamar, Bellevue at Akard and the Bellevue extension at Ervay.
- Component III includes paving, streetscape and lighting on Lamar from Bellevue to Hickory; paving, streetscape and lighting on Akard from McKee to Corinth; paving, streetscape and lighting on Ervay from Gano south to Corinth; paving, streetscape and lighting on Harwood from Gano to Corinth, paving, streetscape and lighting on Hickory from Ervay to Harwood.

All the components emphasize pedestrian amenities: lighting, sidewalks, and landscaping. The centerpieces of Component II are the extensions on Bellevue and Beaumont, which serve to provide a primary east-west thoroughfare for vehicular traffic through the District, between Lamar and Harwood. The primary emphasis in Component III is the pedestrian connectivity between the center of the development

area, the DART Light Rail Station on Bellevue, and the Convention Center just north of I-30

Area Attributes

The location of the Cedars TIF District adjacent to Downtown Dallas, the Convention Center, and Interstate 30 and Interstate 45 provides an ideal setting for the mobility required in major urban office, commercial and retail redevelopment settings. The planned construction of the Dallas Police Headquarters at Lamar and Bellevue in the District greatly enhances the viability of the Cedars as a place to invest.

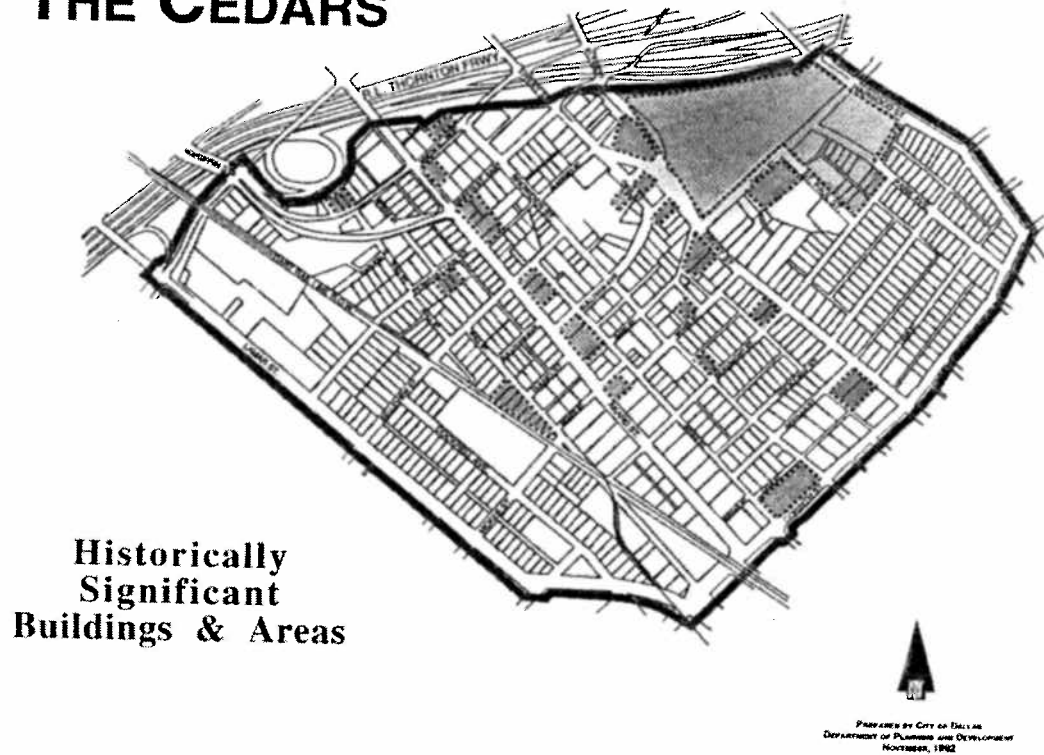
Access to Interstates 30 & 45 is immediate. Access to I-20 via I-45 South is 15 minutes away, and access to I-35 North and South via the I-30 Connector is two minutes away.

The historical significance of Dallas Heritage Village is one of the anchors of the District. The inventory of historic homes and buildings with distinctive architecture, coupled with competitive land prices are factors sufficient to lure investment from the preservationist sector. Proximity to Downtown and the Dallas Convention Center are significant contributors to the viability of the District.

Major facilities and natural features of the area include the Dallas Convention Center, Downtown, Dallas Heritage Village, the Farmers Market, and the Trinity River Corridor. Linkages and corridors play a special role in the Cedars District. Tying the Trinity River to the existing park creates the opportunity for expanded recreational and pedestrian connections adjacent to the District. The view corridors within the district are strong attributes both of the Central Business District and its distinct skyline, and to the south which offers the scenic urban panorama of the trees and rolling terrain of north Oak Cliff, east Oak Cliff and South Dallas. The Great Trinity Forest is located to the south of the District along the east bank of the Trinity River. The Cedars TIF District contains a more than adequate inventory of the original historic buildings. **(See Exhibit B.)**

Exhibit B
Historically Significant Buildings & Areas

THE CEDARS



TIF District Boundaries

The Cedars TIF District is located adjacent to the Central Business District south of downtown Dallas. The District is bounded by Interstate 30 on the north, Lamar Street and the Trinity River Corridor on the west, Corinth Street on the south, and Harwood Street on the east **(See Exhibit C.)**

EXHIBIT D
CEDARS TAX INCREMENT FINANCING DISTRICT
Legal Description

ALL THAT certain lot, tract or parcel of land lying and being situated in the City and County of Dallas, Texas more particularly described as follows:

BEING all of City of Dallas Block numbers 13/84, 14/85, 15/92, A/93, B/93, C/93, 116, 116(1/2), 123, 420, 1/420, 438(1/2), 8/439, A/440, B/440, A/441, E/442, F/442(1/2), B/443, 444(1/2), C/444, D/445, 446, 447, 448, 448(1/2), 449, 450, 451, A/452, 453, 454, D/456, C/457, B/458, A/459, 460, 1/461, 1/898, 2/899, F/900, 901, 902, 903, A/904, D/905, G/906, 907(1/4), 907(1/2), E/907(3/4), B/907, H/908, 909, G/910, 911, H/912, A/913, B/914, C/915, B/916, 917, C/917, 2/917, 3/917, 918, 1/918, 4/918, 1086(1/2), 6/1086, 4/1088, 1090(1/2), 2/1090, D/1093, 1094, and E/1094 and a part of City Blocks 429 and 1094 and being more particularly described as follows:

BEGINNING at the intersection of the southerly right-of-way line of RL Thornton Freeway (IH 30) with the southwesterly right-of-way line of Lamar Street;

THENCE easterly along said south line of RL Thornton Freeway to the intersection of same with the northeasterly right-of-way line of Harwood Street;

THENCE southerly along said northeast line of Harwood Street to the intersection of same with the southerly line of Corinth Street;

THENCE southwesterly along said southeast line of Corinth Street to the intersection of same with the southwesterly right-of-way line of Lamar Street;

THENCE northerly along said southwest line of Lamar Street to the intersection of same southwesterly right-of-way line of RL Thornton Freeway, said point being the POINT OF BEGINNING.

Land use in the Cedars TIF District is mixed, but commercial use makes up the majority of the use. Light industrial uses are concentrated in the southeastern portion of the district. Residential uses and vacant land is scattered throughout the District. Residential use is concentrated in the south central and southeastern areas of the District. The highest concentration of retail and commercial use is located along two corridors, Akard Street between I-30 and Corinth and Ervay between I-30 and Corinth. With the construction of the Bellevue Street extension, it is expected that much of the commercial parcels along Bellevue from Ervay Street to Lamar Street will convert into residential uses. **(See Exhibit D.)**

Cedars Planned Development District Zoning

The Department of Planning and Development has been actively involved, since 1989, with the formulation of the Cedars Area Special Purpose District 317, in a partnership effort to produce a development plan for the TIF District with property owners in the District, business interests in the District, the Board of Directors for the Cedars TIF District and city staff. Members of the TIF Board expressed a desire to have design review privileges over proposed projects in the area. In 1996, the City Council directed staff to conduct a study of the area and recommend design control standards.

In addition, during the last year, extensive input and review was received from the public interests in the District, including both business and homeowner groups as a result of the Department of Planning and Development's CBD Gateway Communities Study. All property owners were notified of the effort and invited to planning sessions and to attend public meetings to review and comment on the proposals to improve and capitalize on the linkage of the CBD with adjoining communities. **(See Exhibit E.)** A full copy of the portion of the Zoning Ordinance related to the Cedars area is included in **Appendix 3.**

Exhibit E - Cedars Zoning

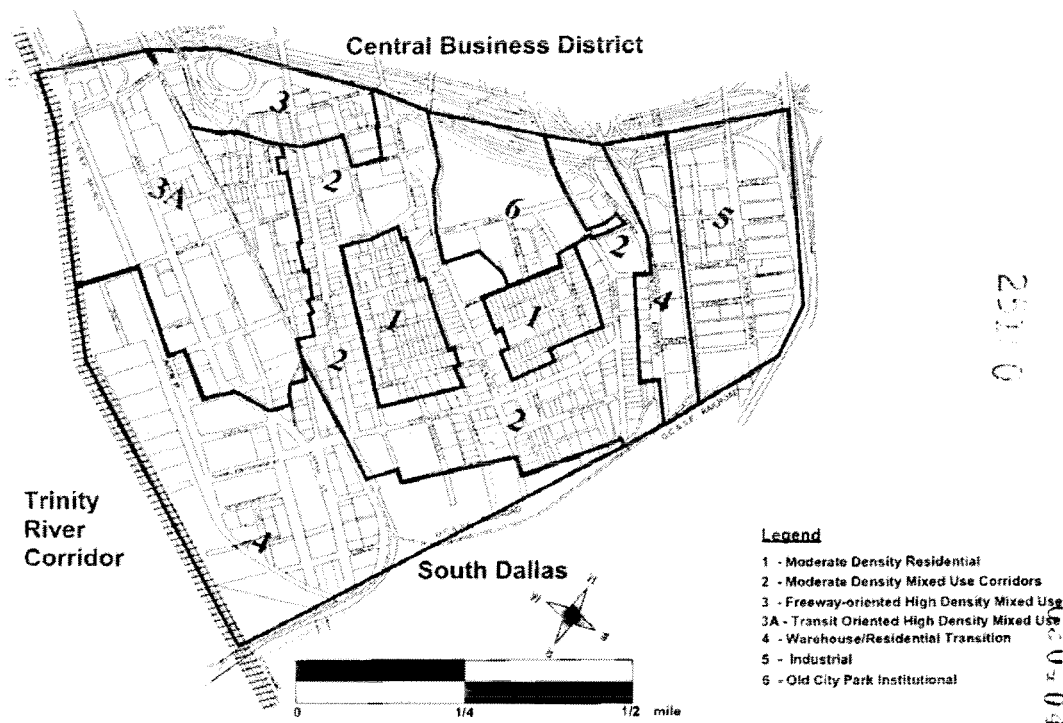


Exhibit A

Reinvestment Zone Project Plan and Financing Plan
Cedars TIF District

The Area Special Purpose District (SPD) is the zoning designation intended to:

- Allow a variety of land uses and development options.
- Protect the interests of existing property owners.
- Stabilize residential areas of the District.
- Establish mandatory design standards for new development.
- Protect sensitive environmental resources in the area.

The SPD, as amended, will serve as the base zoning, and, as time goes on, it may be adjusted if necessary to accommodate new development projects which conform to the intent of the Final Project and Reinvestment Zone Financing Plan for the Cedars TIF District.

Cedars Public Improvement Plan

The Cedars Public Improvement Plan was prepared by the Department of Economic Development along with the Final Project and Reinvestment Zone Financing Plan for the Cedars TIF District. It provides linkage to the Central Business District and the Convention Center, promotes the development of an east-west traffic corridor, serves to protect existing residential areas, encourages the preservation of historic buildings, and allows for area character enhancement as well as opportunities for jobs and business growth within the community itself. **(See Exhibit F.)**

Exhibit F - Cedars Public Improvement Plan

THE CEDARS



Project Plan

Legend

- Paving, Streetscape & Lighting.....
- Gateway Enhancements ◊
- Intersection Improvements ○



The Cedars TIF District Final Project
Plan and Reinvestment Zone
Financing Plan
Exhibit C

Exhibit A

Reinvestment Zone Project Plan and Financing Plan
Cedars TIF District

The Cedars Public Improvement Plan provides a variety of economic development opportunities which build on the strengths of Downtown, the Dallas Convention Center, Dallas Heritage Village, Dallas Police Headquarters, the Farmers Market, the Cedars DART Light Rail Station, and the growth demonstrated in the Southside on Lamar development.

The Cedars community can attract many types of residents; artists interested in an eclectic area, young singles and married couples working in or near downtown. A variety of densities are planned for the Cedars area. Central to this concept is preservation of the historic single family neighborhood located in the center of the district. Several areas in the District are suitable for redevelopment as single family or upscale multi-family housing designed for young singles and couples who work in and around Downtown Dallas and desire to live close to work and the entertainment offered by the Arts District, Deep Ellum and the West End.

Linkages are critical to the Cedars Community. Access to major transportation routes is strength of the area, so new and enhanced connections are planned to build on these strengths. Pedestrian and safety improvements within the Cedars are planned to link the development areas to the DART Light Rail Station, the Convention Center, the Downtown Dallas, Dallas Heritage Village and the Farmers Market. Creation of a new east-west street would link the Lamar Street area with Dallas Heritage Village and the Farmers Market Area, as well as provide easy access to I-45 just beyond the eastern border of the TIF Area.

Public and private land use and investment decisions based on this plan will create revitalization opportunities. Use of the Tax Increment Financing (TIF) district will add new public investment to supplement projects funded through City of Dallas bond funding programs. Compatible zoning will enable property owners to build the development envisioned here. Lastly, urban design guidelines for public and private investments will ensure that the area's entry points and developments create an identifiable image for the Cedars TIF District and for areas within it.

Design Guidelines

Design Guidelines for the Cedars TIF District were prepared by HOK in conjunction with the development of the Final Project and Reinvestment Zone Financing Plan. The guidelines address the "fixed" elements of the Cedars TIF District plan - those located in the public realm, including the primary street framework, parks/green spaces, and public gathering spaces. These guidelines also provide a set of standards to guide the development of individual parcels, located in the private realm. They address such issues as architectural massing and form, design of the spaces between buildings, landscape treatments, parking, selection of exterior colors and materials, screening, street lighting, fencing, and site security. All operational and maintenance costs associated with the installation of distinctive street lighting at higher than standard

densities within the district will be borne by the developer/developers. Maintenance of the distinctive systems will be conducted by TXU. **(See Appendix 1.)**

Planned Improvements

The public improvement plan provides for approximately \$7.2 million (in 1992 dollars) of streetscape, new roadway design and construction, and public-use improvements. The improvements planned are designed to fully meet the long-term public needs to secure the growth and investment of the area. Planned improvements may include:

- Streetscape and lighting improvements on Akard Street from I-30 to Corinth Street;
- Pedestrian and lighting improvements on Lamar from Bellevue to the Convention Center;
- New east-west corridor Bellevue extension street design and initial construction;
- Entryway features and intersection improvements at I-30 and Akard, I-30 and Lamar, and I-30 and Ervay ;
- Infrastructure improvements related to individual projects; and
- Environmental remediation expenses and related demolition expenses.

Other projects are beyond the funding scope of projected Tax Increment Financing Revenue within the TIF district. An overall District Improvement Plan illustrates all projects, regardless of funding source, that are requested to fully improve public infrastructure within the Cedars TIF district.

TIF District Policy Considerations

City policy for TIF Districts requires that amended TIF District plans include public objectives such as a provision for affordable housing; utilization of minority and women owned businesses in new construction; promotion of jobs for neighborhood residents; and resolution of issues related to the relocation of area residents displaced by new development. These issues are addressed specifically below.

Affordable Housing. Twenty percent of all housing units in projects using TIF funds will meet the City's and County's established criteria for affordable housing. Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas metropolitan area as determined by HUD annually. The 20% total requirement may be satisfied by any combination of units and need not apply to units of all sizes. Affordable rental rates will be adjusted annually.

A developer may, subject to City and County approval, propose an alternative means of fulfilling the City and County's affordable housing requirements.

This plan has a goal of creating new affordable housing units within the Cedars TIF District, which may include the creation of senior housing or tax credit financed units. It

is important that affordable housing units blend with the existing community. Mixed-income projects will be encouraged where possible.

Business Inclusion Development (BID) Plan. All TIF-funded projects must follow the City's adopted Business Inclusion and Development Plan. This policy outlines goals for certified Minority and Women-Owned Business (M/WBE) participation in publicly funded infrastructure projects. The BID Plan goals are:

Construction:	25.00%
Architectural and Engineering:	25.66%
Other Professional Services:	36.30%
Other Services:	23.80%
Goods:	18.00%

Additionally, the private development portion of TIF-funded projects must have a goal of M/WBE participation that is proportionate to the amount of project TIF funding. For example, if a project's TIF funding is 10 percent of the total project costs, the M/WBE participation goal for the private development portion of the project would also be 10%. The process for BID compliance and City oversight will be negotiated with City staff and included in the development agreement for each individual project.

Promotion of Jobs for Neighborhood Residents. TIF applicants must agree to sponsor job fairs or other programs to attract neighborhood residents to any permanent jobs created in the developments within the district.

Existing Resident Displacement. Future development projects in the TIF District may include the demolition or extensive renovation of existing multi-family residential property. For that reason, it is understood that some displacement might occur due to redevelopment activities. In such occurrences, the City will only provide TIF assistance for projects where the incidence and impact of any displacement has been minimized. Communication will be a central element in this process.

SECTION 3 - FINANCING PLAN

Tax Increment Financing

Section 311 of the State Tax Code, commonly called The Tax Increment Financing Act, provides for municipalities to create "reinvestment zones" within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes, to pay for those improvements. At the time an area is designated a reinvestment zone for tax increment financing, the existing total of appraised value of real property in the zone is identified and designated as the "tax increment base." Taxing units levying taxes in the zone during its life are limited to revenues from this base.

Public improvements are made in the area to attract private development that would not otherwise occur. As the costs of new development are added to the tax rolls, property values rise. This rise in new value is called the "captured appraised value." Then the taxes that are collected by the participating taxing jurisdictions on the increment between the frozen value and the new, higher value (the "tax increment") are deposited into a TIF trust fund, which is used to pay for the public improvements. TIFs generally exist for 15 or 20 years. Once the end of the TIF time frame is reached, the TIF is dissolved and the full amount of the taxes collected in area are kept by the taxing jurisdictions. In effect, the taxing jurisdictions are "investing" future earnings to receive the benefit of higher tax revenues from new development. Also, taxing jurisdictions are not restricted from raising their tax rates during the life of the zone.

Financing Plan

The financing plan developed by the Board provides for approximately \$7,216,097 (NPV in 1992 dollars) or \$23,797,823 in total dollars in public improvement to be paid for with TIF funds or in expected TIF collections. The financing plan allows for the sale of TIF Bonds funds if it promotes the financial interest of the City of Dallas and the Cedars TIF District.

Cedars TIF District Project Plan Improvements Budget

Project costs are public improvements paid or reimbursed by TIF.
 Project costs may be changed in subsequent project and financing plans.

Category	Approved TIF Budget (1992 Dollars)	Approved TIF Budget (Estimated)	Proposed TIF Budget (Estimated)
Infrastructure Improvements - Street Construction/Streetscape/ Water/Wastewater/Drainage Improvements/ East-West Corridor Construction/ <u>Public Open Spaces/Economic Development Grants</u>	\$4,356,097	\$17,155,840	\$20,110,586
Environmental Remediation	\$1,000,000	\$1,000,000	\$1,000,000
Education/ Educational Facility Improvements/ Public Improvements Adjacent to Educational Facilities	\$1,500,000	\$1,500,000	\$1,500,000
TIF Administration	\$360,000	\$1,032,089	\$1,187,237
TOTAL	\$7,216,097	\$20,687,929	\$23,797,823

All values discounted to 1992 Dollars at 5.00% annually. Actual expenditure value will depend on timing of project cost.

Financing Methodology: Private developers will advance funds for public improvements in the reinvestment zone. Advances are to be repaid by the future increment revenue cash flows to the TIF fund. Taxing jurisdictions need not guarantee loan repayments with any other source. Private lenders would loan funds only when they were confident that future increment revenue cash flows to the TIF fund, plus other private assets given as security, would be sufficient to cover their advances to the TIF fund, plus other private assets given as security, would be sufficient to cover their loans.

Bond Issuance: No bonds will be issued for the Cedars TIF District.

Financing Policy. The goal of the Cedars TIF District is to leverage the increment accrued to maximize development in the District. It is the intention of the Board of Directors that a portion of the increment received initially goes to public projects such as pedestrian and lighting improvements in addition to developer initiated projects.

Long-Term Financing. The City has decided to finance all subsequent phases of work on a "pay-as-you-go basis."

Expected Revenues. Cumulative private development is expected to exceed approximately \$250 million during the remainder of the 11-year development program, resulting in new taxable value of more than \$334 million. This increase in value is expected to produce a net present value increment revenue of \$7,216,097. This assumes all taxing jurisdictions will initially participate at the following levels: City of Dallas - 100%, Dallas County - 65%, Dallas County Hospital District - 65%, Dallas Independent School District - 50%, and Dallas County Community College District -

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0%, until December 31, 2012. During the 10-year term extension only the City of Dallas and Dallas County will participate at the rates of 90% and 75%, respectively.

Financial Assumptions

The key factors influencing the financial feasibility study and its conclusions are the financial assumptions which have been adopted. Several categories of assumptions, including development, activity, land appreciation, appreciation of improvements, removal of existing deteriorated structures, and tax rate changes are discussed below:

Inflation and Appreciation. The generally accepted inflation for construction costs and the value of improvements is 3.00% per annum. Based on current market rates, net present values of the tax increment were calculated at a discount rate of 5.00% per annum.

Tax Rate Changes. Although tax rates may vary over the life of the District, the financial plan assumes that the 2010 tax rate will remain constant for the remaining life of the TIF District.

Remittance to the TIF Fund. The financing plan assumes all taxing jurisdictions participate at the following levels: City of Dallas - 100%, Dallas County - 65%, Dallas County Hospital District - 65%, Dallas Independent School District - 50%, and Dallas County Community College District - 0%, until December 31, 2012. During the 10-year term extension only the City of Dallas and Dallas County are expected to be participate at the rates of 90% and 75%, respectively.

Financial Feasibility

The private development plans, public improvement program, general financing strategy and financial assumptions were all included in an economic feasibility study prepared by the consultant team.

Cumulative private development is expected to increase property value by over \$250 million during the 30-year program. Coupled with predicted increases in land values, the total taxable value is expected to exceed \$334 million. Since the TIF receives revenue only from the taxable value which exceeds the base year, "captured" taxable value accruing to the TIF is approximately \$299 million.

The TIF Increment Projections illustrates projected increment flow and net present value. Development assumptions are also included with the table. **(See Exhibit G.)**

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Exhibit G TIF Increment Projections

Cedars TIF Increment Projections

Tax Year	Property Value Estimate City	Property Value Growth \$	Property Value Growth %	Total Value change	Anticipated Captured Value City	Anticipated Captured Value DISD	Anticipated Captured Value County	Anticipated Increment Revenue	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue City	Tax Increment Revenue DISD	Tax Increment Revenue DCCCD	Tax Increment Revenue County	Tax Increment Revenue DCHD
1992	\$35,300,760													
1993	\$33,706,330		-4.52%	-4.52%	(\$1,594,430)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1994	\$31,406,528		-6.82%	-11.03%	(\$3,894,232)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995	\$34,824,532		10.88%	-1.35%	(\$476,228)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1996	\$32,499,522		-6.68%	-7.94%	(\$2,801,238)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1997	\$33,233,582		2.57%	-5.57%	(\$1,967,178)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
1998	\$39,631,442		18.89%	12.27%	\$4,330,682			\$28,109	\$20,976	\$28,110	\$0	\$0	\$0	\$0
1999	\$39,171,800		-1.16%	10.97%	\$3,871,040			\$53,610	\$59,075	\$25,839	\$27,770	\$0	\$0	\$0
2000	\$39,634,388		1.18%	12.28%	\$4,333,628			\$74,708	\$109,641	\$28,927	\$33,105	\$0	\$5,521	\$7,155
2001	\$42,365,372		6.89%	20.01%	\$7,064,612	\$6,999,130	\$7,064,612	\$121,977	\$121,977	\$47,156	\$54,157	\$0	\$9,000	\$11,664
2002	\$42,569,912		0.48%	20.59%	\$7,269,152	\$7,203,670	\$7,269,152	\$129,312	\$267,655	\$50,870	\$57,180	\$0	\$9,261	\$12,001
2003	\$42,628,095		0.14%	20.76%	\$7,327,335	\$7,232,940	\$7,327,335	\$116,691	\$335,881	\$45,106	\$52,169	\$0	\$8,771	\$10,644
2004	\$42,745,457		0.28%	21.09%	\$7,444,697	\$7,504,568	\$7,507,977	\$132,947	\$409,911	\$51,430	\$60,083	\$0	\$9,545	\$11,889
2005	\$45,724,646		6.97%	29.53%	\$10,423,886			\$109,017	\$467,725	\$77,314	\$0	\$0	\$14,493	\$17,210
2006	\$48,923,596	\$3,198,950	7.00%	38.59%	\$13,622,836	\$13,536,254	\$13,622,836	\$215,281	\$615,379	\$87,924	\$90,057	\$0	\$17,393	\$19,907
2007	\$62,805,631	\$13,882,035	28.37%	77.92%	\$27,504,871	\$27,210,728	\$27,499,871	\$454,976	\$823,809	\$205,709	\$163,216	\$0	\$40,649	\$45,402
2008	\$82,965,625	\$20,159,994	32.10%	135.03%	\$47,664,865			\$787,884	\$1,167,560	\$356,486	\$282,033	\$0	\$70,670	\$78,695
2009	\$87,846,392	\$4,880,767	5.88%	148.85%	\$52,545,632			\$899,708	\$1,541,407	\$392,989	\$335,263	\$0	\$77,891	\$93,565
2010	\$80,293,087	(\$7,553,305)	-8.60%	127.45%	\$44,992,327	\$46,873,491	\$44,981,727	\$787,397	\$1,853,007	\$358,589	\$278,460	\$0	\$71,095	\$79,254
2011	\$82,701,880	\$2,408,793	3.00%	134.28%	\$47,401,120			\$829,553	\$2,165,657	\$377,787	\$293,368	\$0	\$74,901	\$83,497
2012	\$88,082,936	\$5,381,056	6.51%	149.52%	\$52,782,176			\$923,725	\$2,497,221	\$420,674	\$326,672	\$0	\$83,404	\$92,976
2013	\$105,711,974	\$17,629,038	20.01%	199.46%	\$70,411,214	\$70,316,819	\$70,411,214	\$633,435	\$2,713,761	\$505,060	\$0	\$0	\$128,377	\$0
2014	\$125,741,333	\$20,029,359	18.95%	256.20%	\$90,440,573	\$7,504,568	\$7,507,977	\$813,626	\$2,978,655	\$648,730	\$0	\$0	\$164,896	\$0
2015	\$133,238,742	\$7,497,409	5.96%	277.44%	\$97,937,982			\$881,075	\$3,251,848	\$702,509	\$0	\$0	\$178,565	\$0
2016	\$209,065,485	\$75,826,742	56.91%	492.24%	\$173,764,725	\$13,536,254	\$13,622,836	\$1,563,231	\$3,713,474	\$1,246,414	\$0	\$0	\$316,817	\$0
2017	\$249,350,033	\$40,284,549	19.27%	606.36%	\$214,049,273	\$27,210,728	\$27,499,871	\$1,925,641	\$4,255,043	\$1,535,375	\$0	\$0	\$390,265	\$0
2018	\$267,175,648	\$17,825,615	7.15%	656.86%	\$231,874,888			\$2,086,004	\$4,813,775	\$1,663,239	\$0	\$0	\$422,766	\$0
2019	\$300,190,918	\$33,015,269	12.36%	750.38%	\$264,890,158	\$52,741,749	\$52,535,032	\$2,383,018	\$5,421,668	\$1,900,057	\$0	\$0	\$482,961	\$0
2020	\$311,196,645	\$11,005,728	3.67%	781.56%	\$275,895,885	\$46,873,491	\$46,641,444	\$2,482,028	\$6,024,668	\$1,979,001	\$0	\$0	\$503,027	\$0
2021	\$322,532,544	\$11,335,899	3.64%	813.67%	\$287,231,784			\$2,584,009	\$6,622,549	\$2,060,314	\$0	\$0	\$523,695	\$0
2022	\$334,708,081	\$12,175,536	3.77%	848.16%	\$299,407,321			\$2,693,543	\$7,216,097	\$2,147,649	\$0	\$0	\$545,894	\$0
								\$23,797,823		\$16,943,258	\$2,140,850	\$0	\$4,149,857	\$563,858

If revenues are received at the projected rate, this will result in completion of the public improvements in Year 2022.

In fact, on a strict "pay-as-you-go" basis, the progress of the public improvements portion of the development program is a direct result of the revenues received. Therefore, if revenues exceed these conservative projections, then the public improvements can be completed ahead of schedule. If revenues do not meet expectations, then the pace of public improvements will be slowed or discontinued altogether based upon the advice of the Board of Directors and the approval of the City Council.

Based upon a set conservative assumptions and analysis of the project and financing plan, the Cedars TIF Board of Directors has concluded that the plan is feasible.

Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program. This program provides a framework for development incentives in a variety of areas. Within this framework the Board of Directors has adopted specific policies for the Cedars TIF District:

- Pedestrian/lighting projects are recognized as an important component of the Cedars TIF District Public Improvement Plan; therefore, whenever possible a portion of the increment accrued will be set aside for such projects.

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- Public improvements will be phased at a pace which coincides with private development. Public parking facility improvements will be phased to coincide with the pace of related improvements.
- Private developers desiring City participation in cost-sharing for infrastructure improvements needed for their projects must sign a Development Agreement with the City.
- Each Development Agreement is mutually exclusive-that is, the nature and extent of support with public funds may change over time as the District becomes more developed.
- If a developer needs infrastructure improvements constructed at a time when sufficient funds are not available in the TIF Fund, then improvements may be:
 - deferred until funds are available
 - constructed at the sole expense of the developer
 - constructed at developer expense, with the City reimbursing the developer as funds become available
- Private development must substantially conform to "private development design guidelines" adopted by the Cedars Board of Directors in order to receive cost participation benefits for infrastructure improvements.

The Cedars TIF Board may from time-to-time recommend amendments to these financial policies which will affect the operations of the District.

Conclusions

Based upon a set conservative assumptions and analysis of the project and financing plan, the Cedars Board of Directors has concluded that the project and financing plan is feasible.

The success of the Cedars TIF development will allow the redevelopment of the area. The new commercial, retail, and residential population base will be supported by redevelopment efforts in the area near Downtown Dallas. The expansion of retail and commercial activities will enhance the area's overall market image. The success of this program will protect and build on this area's untapped real estate potential.