

**WHEREAS**, the City recognizes the importance of its continued aggressive role in local economic development; and

**WHEREAS**, there is a need for general policy guidelines to coordinate various City incentive programs to assure judicious use of economic development resources in order to safeguard the financial position of the City; and

**WHEREAS**, the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A., Tax Code, Chapter 312), requires any taxing jurisdiction wishing to enter into tax abatement agreements to establish guidelines and criteria governing tax abatement agreements which are effective for two years; and

**WHEREAS**, during that 2-year period the Guidelines and Criteria may be amended or repealed only by a vote of three-fourths of the members of the City Council; and

**WHEREAS**, on June 13, 2012, pursuant to Resolution No. 12-1520, the City Council authorized the adoption of new City of Dallas' Public/Private Partnership Program Guidelines & Criteria, for the period June 13, 2012 through June 12, 2014, governing tax abatement agreements and other economic development incentives including the Business Development Chapter 380 Grant/Loan Program; and

**WHEREAS**, it is in the best interest of the City of Dallas to adopt Guidelines & Criteria for the Public/Private Partnership Program in order to make use of available economic development incentives for the promotion of new businesses, the retention and expansion of existing businesses, enhancement of the tax base, and the creation and retention of job opportunities for Dallas citizens; and

**WHEREAS**, the City of Dallas' Public/Private Partnership Program Guidelines & Criteria shall not be construed as implying or suggesting that the City of Dallas is under obligation to provide tax abatement or other incentive to any applicant, and all applicants shall be considered on a case-by-case basis; and

**WHEREAS**, the City's Public/Private Partnership Program Guidelines & Criteria is effective for two years from the date adopted by the City Council.

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City of Dallas does hereby elect to continue its participation in tax abatement as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A., Tax Code, Chapter 312).

**Section 2.** That the documents attached hereto and made a part of this resolution entitled "Public/Private Partnership Program Guidelines and Criteria", **Exhibit A**, are hereby adopted as Guidelines and Criteria for governing abatement agreements, as specified in the Property Redevelopment and Tax Abatement Act, as well as for other City of Dallas economic development programs for a period of two years or unless new Guidelines and Criteria are adopted by the City Council.

**Section 3.** That this resolution takes effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY  
CITY COUNCIL

JUN 25 2014

  
City Secretary

**City of Dallas Public/Private Partnership Program  
Summary for Non-Residential Projects**

**City of Dallas Public/Private Programs**

It is the purpose of the following programs to provide assistance only for projects where such assistance is necessary to stimulate private investment. Accordingly, these programs are available when agreements between the City and private parties that are not tax-exempt are approved by City Council prior to private investment occurring. Projects seeking economic incentives must provide written assurance that 'but for' the incentives sought, the proposed project would be substantially altered such that the project would not otherwise occur in the city or the economic returns to the city would be reduced. Projects occurring in Southern Dallas are provided special consideration.

The information contained herein shall not be construed as implying or suggesting that the City of Dallas is offering or is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis. Pawnshops, sexually oriented businesses, bars, truck stops, and truck dealerships are excluded from consideration for incentives provided under this program.

**Eligibility Requirements**

Each geographic area of the City has a minimum requirement in order to be considered for incentives:

- **Southern Dallas:** Projects must create/retain 25 jobs or provide \$1 million of investment;
- **Northern Dallas and Central Business District:** Projects must create/retain 100 jobs or provide \$5 million of investment; and
- **Non-Conforming Projects:** Projects will be considered on a case-by-case basis.

**Tax Abatement**

Temporary abatement of either real estate or personal property taxes. Recipient firms must meet primary considerations of capital improvements and job creation/retention. City staff may consider secondary considerations such as Dallas resident employment, efforts to exceed minimum environmental regulations, wage rates, community activities, target industry projects, and M/WBE participation when negotiating this incentive. A firm's tax abatement percentage will be reduced by 25 percent for any single year of the tax abatement term in which secondary considerations included in the agreement are not met unless an alternative method is prescribed by City Council in a project specific resolution. Real property tax abatement is not available in TIF Districts. In limited cases, projects may be considered for a combination of both real and personal property tax abatement when the combined amount does not exceed 90 percent of the City taxes on total new improvement value. All tax abatements must begin by January 1 of the second calendar year following City Council authorization.

**Abatement Benefits:**

- **Southern Dallas:** Real property tax abatement up to 90 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;

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- **Northern Dallas:** Real property tax abatement up to 50 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;
- **Central Business District:** Business personal property tax abatement of up to 75 percent for five years and/or for non-TIF District sites real property tax abatement of up to 90 percent for 10 years; and
- **Non-Conforming Projects:** Projects will be considered on a case-by-case basis.

**Business Development Chapter 380 Grant Program**

Companies considering a relocation/expansion or new commercial development may be eligible for a grant in lieu of tax abatement or to defray project costs such as: land purchase, building costs, public infrastructure costs, development fees, right of way abandonment fees, loan guarantees, training costs, relocation costs, etc. Grants will be considered on a case-by-case basis and are subject to funding limitations and investment/job eligibility requirements. Companies will be required to meet eligibility requirements of the Public/Private Partnership Program. Pursuant to this program the City may administer and accept resources from other political subdivision of the state to support this program, and may administer and accept resources from the Federal government to support developments.

**Economic Development GO Bond Program for Southern Dallas**

General Obligation Bond funding may be used as described in this paragraph for private commercial, industrial, retail, residential, and mixed-use development in the Southern area of the city that promotes economic development. Funding may be provided as a catalyst to promote private economic development and may be used for planning, designing, extending, constructing and acquiring land for public streets, utilities and other related infrastructure facilities or uses consistent with this purpose.

Private developments may be eligible for economic development grants and loans pursuant to Chapter 380 of the Texas Local Government Code. Grants and loans will be considered for infrastructure improvements and/or land acquisition consistent with the scope of funding and other uses described above. Grants or loans will be considered on a case-by-case basis subject to funding limitations and development agreements approved by City Council, which agreements will contain appropriate conditions, safeguards and benchmarks to ensure that the public purpose of economic development will be carried out.

Funding in support of mixed-use or residential development, including the acquisition of improved and unimproved properties and for the cost of demolition of existing structures for such projects, is considered a non-conforming project and will require that a minimum of 20% of the residential units in the development meet affordable housing or mixed-income housing requirements for the location.

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**Local Government Corporation (LGC) Chapter 380 Grant Program**

The City of Dallas will consider making grants from its general fund to a LGC, subject to annual appropriation of funds and the approval of the Dallas City Council. These funds will be restricted to the payment of project costs, including the payment of debt service on any bonds issued by the LGC to finance project costs, and the funding of any necessary reserve fund or capitalized interest accounts and the payment of the cost of issuance of bonds.

**City of Dallas Regional Center - EB 5**

The City of Dallas Regional Center (CDRC) is dedicated to assisting individuals and their families through the EB-5 immigration process via investment into businesses and development projects located within the Dallas city limits. The CDRC offers a variety of investments to foreign investors that meet or exceed requirements and offer investors features unique to the EB-5 community. Minimum foreign investment is \$500,000 in Targeted Employment Areas or \$1M in other areas. All opportunities supported by the CDRC must provide 10 full-time jobs (directly or indirectly) per investor.

**New Market Tax Credits**

The City of Dallas participates in the New Market Tax Credit Program (NMTC), a federal program operated by the Department of Treasury, that provides opportunities for new development in traditionally underserved areas. The program provides NMTC investors with a 39% federal tax credit payable over seven years. These investments are partnered with additional funds for businesses and real estate development in Low Income Neighborhoods.

**Target Industry Projects**

Target Industry projects are provided special consideration for economic incentives and are generally defined as follows: Brownfields or recycling, information technology, building materials and furnishings, company headquarters, logistics, telecommunications, transportation manufacturing and assembly, film/television/media, advanced instruments and food processing/distribution. Due to the temporary nature of film/television production, projects in this industry are not required to meet minimum job or investment eligibility established for the Public/Private Partnership Program. Rather, these projects are considered on a case-by-case basis with consideration given to the positive economic returns projects bring to the City. Target Industry projects must be confirmed in advance by the City in order to receive consideration under this designation.

**Non-Conforming Projects**

Non-Conforming projects are considered on a case-by-case basis for high impact projects, unique developments, and competitive situations where projects may receive competing offers of incentives. These projects require a simple majority vote of City Council in Southern Dallas and a 3/4 vote of City Council in the CBD and in Northern Dallas. High Impact Project - Projects creating/retaining a minimum of 500 jobs with substantial capital investment. In addition, this status may be granted to major projects by Fortune 500, Manufacturers 400, or Global 500 listed firms. A mixed-use or residential development considered for support as a non-conforming project requires special circumstances and must ensure that a minimum of 20% of the residential units in the development meet affordable housing or mixed-income housing requirements for the location.

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**Competitive and Retention Projects**

In special cases, companies receiving competing offers of incentives or those currently located in the city of Dallas considering a relocation/expansion are eligible to apply for financial incentives with negotiable terms. Existing firms must expand job base by 25 percent to be eligible for consideration. Incentives may be offered in specific cases to 'match other offers.' Companies may be required to demonstrate competing cities, offers, land/lease costs, taxes at current rates, utility rates, relocation costs, other significant costs and 'gap' to be filled, etc.

**Other Sources of Financial Assistance****Tax Increment Districts**

Special districts funding public improvements (not services) with increased tax revenues resulting from new private development. Tax rates are the same as elsewhere in the City and no added cost to private parties is incurred.

**Public Improvement Districts**

Special districts created by petition to privately fund public improvements or special supplemental services over and above those provided by City, when such services are supportive of related City investments in capital improvements.

**Foreign Trade Zone**

Allows duty-free importing of foreign-made components into the Zone, where they may be assembled, manufactured, processed or packaged. Duties are charged only when products are subsequently distributed into the U.S. market - if they are shipped to international markets, no duty is levied.

**State Incentives**

The City of Dallas will facilitate applications for assistance from State programs including Enterprise Zone Projects, Texas Enterprise Fund, and the Texas Emerging Technology Fund.

To obtain more detail on these programs, or to inquire regarding other assistance, contact:  
Office of Economic Development, Dallas City Hall, Room 5CS, Dallas, Texas 75201, Phone:  
(214) 670-1685, Fax: (214) 670-0158.