

ORDINANCE NO. 29843

AN ORDINANCE AMENDING ORDINANCE NOS. 21466, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON NOVEMBER 11, 1992, AS AMENDED, AND 23033, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON FEBRUARY 12, 1997, AS AMENDED TO: (1) INCREASE THE GEOGRAPHIC AREA OF THE OAK CLIFF GATEWAY TIF DISTRICT TO ADD APPROXIMATELY 4.9 ACRES OF CURRENTLY VACANT AND UNDER-UTILIZED LAND TO THE OAK CLIFF GATEWAY SUB-DISTRICT FOR THE DEVELOPMENT OF THE OXYGEN PROJECT; AND (2) MAKE CORRESPONDING MODIFICATIONS TO THE DISTRICT BOUNDARY AND PROJECT AND REINVESTMENT ZONE FINANCING PLANS (PROJECT PLAN); ESTABLISHING AN EFFECTIVE DATE; PROVIDING A SEVERABILITY CLAUSE; AND ENACTING OTHER MATTERS RELATED THERETO

WHEREAS, the City has established Tax Increment Financing Reinvestment Zone Number Three ("Oak Cliff Gateway TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Oak Cliff Gateway area pursuant to Ordinance No. 21466, authorized by the City Council on November 11, 1992, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, on February 12, 1997, City Council authorized the Project Plan and Reinvestment Zone Financing Plan (Project Plan) for the District by Ordinance No. 23033; and

WHEREAS, the Act requires that if an amendment reduces or increases the geographic area of a zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs, or designates additional property in a zone to be acquired by the municipality, the approval must be by ordinance after the City holds a public hearing on such amendments and provides interested persons the opportunity to speak and present evidence for or against such amendments; and

WHEREAS, the City desires, by the calling and holding of such public hearing, to provide a reasonable opportunity for any owner of property located within the District, any other taxing districts, and any other interested persons to speak for or against the amendment; and

WHEREAS, the District's Board of Directors recommended the following amendments to the District and the Project Plan for the District to: (1) increase the geographic area of the Oak Cliff Gateway TIF District to add approximately 4.9 acres of currently vacant and under-utilized land to the Oak Cliff Gateway Sub-District for the development of the Oxygen project; and (2) make corresponding modifications to the District boundary and Project Plan consistent with the requirements and limitations of the Act; and

WHEREAS, on August 12, 2015, City Council in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, (Chapter 311), called a public hearing to be held on August 26, 2015, to hear citizen comments and concerns regarding the proposed District amendments and amended Project Plan for the District, in which the public hearing was duly held and closed.

NOW, THEREFORE,

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

SECTION 1. That Ordinance No. 21466, previously approved on November 11, 1992; as amended, and Ordinance No. 23033, previously approved on February 12, 1997, as amended, are hereby amended to: (1) increase the geographic area of the Oak Cliff Gateway TIF District to add approximately 4.9 acres of currently vacant and under-utilized land to the Oak Cliff Gateway Sub-District for the development of the Oxygen project; and (2) make corresponding modifications to the District boundary and Project Plan consistent with the requirements and limitations of the Act, attached hereto as **Exhibit B**.

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 to the Project Plan and budget of the District will result in benefits to the City and the property included in the District.

SECTION 4. That **Exhibit A** of Ordinance No. 21466, as amended, shall be completely deleted and the new attached **Exhibit A** shall be substituted therefore.

SECTION 5. That **Exhibit A** and **Exhibit B** of Ordinance 23033, as amended, shall be completely deleted and the new attached **Exhibit A** and **Exhibit B** shall be substituted therefore.

SECTION 6. That this action is necessary to fund improvements needed to address underutilized properties and create a vibrant neighborhood on a larger scale.

SECTION 7. That improvements in the District will significantly enhance the value of all taxable real property in the District.

SECTION 8. That Ordinance Nos. 21466, as amended, and 23033, as amended, will remain in full force and effect, save and except as amended by this ordinance.

SECTION 9. 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.

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SECTION 10. 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.

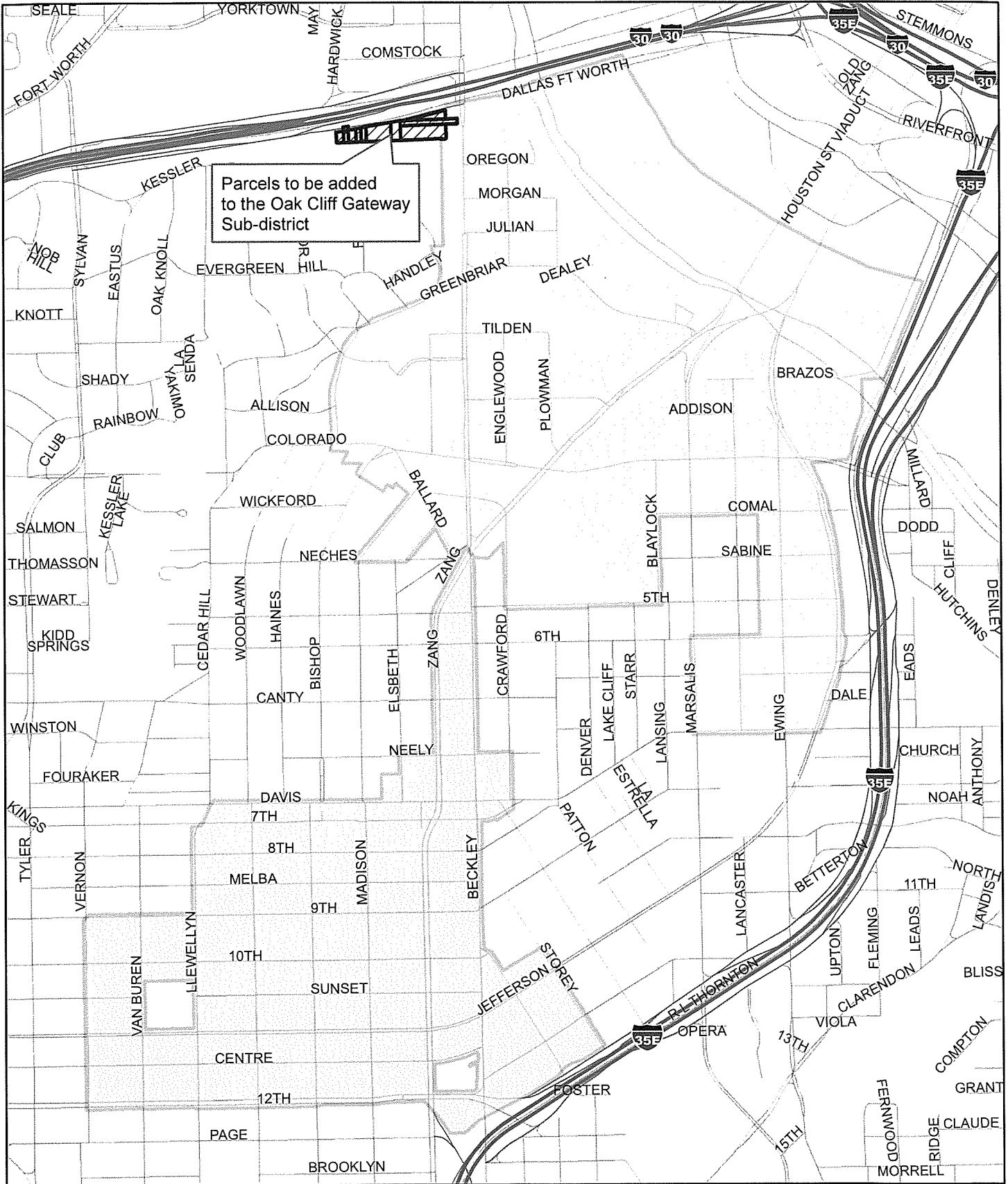
APPROVED AS TO FORM

WARREN M. S. ERNST
CITY ATTORNEY

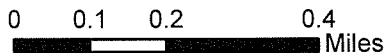
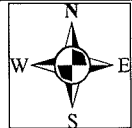
By: 
Assistant City Attorney

AUG 26 2015

Passed and correctly enrolled _____

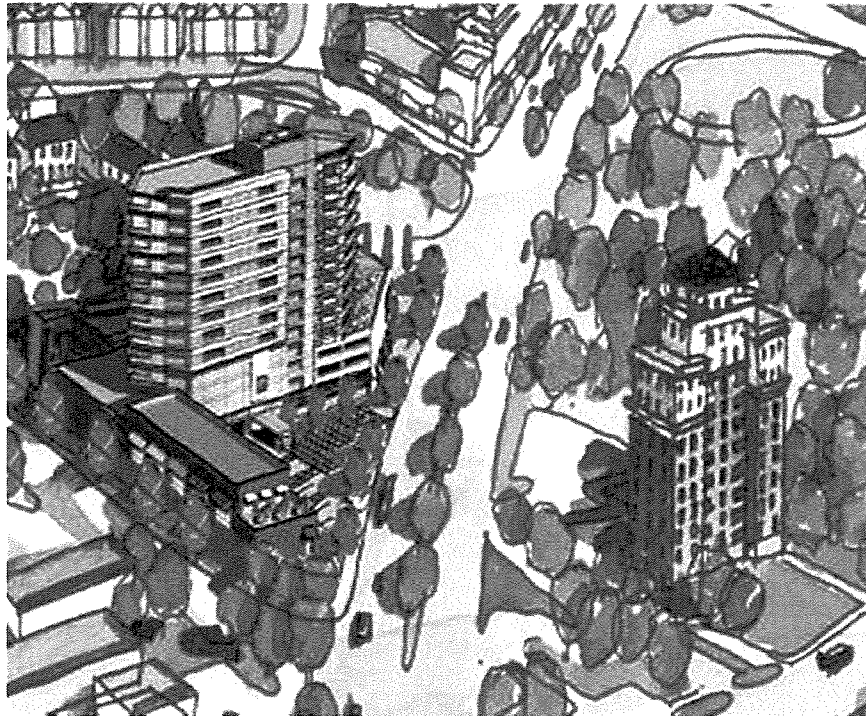


Oak Cliff Gateway TIF District
 Proposed Amended Boundary
 August 26, 2015
 Exhibit A



- Oak Cliff Gateway Sub-District
- Bishop / Jefferson Sub-District
- Proposed Parcels to be added to the Oak Cliff Gateway Sub-District

Exhibit B
Oak Cliff Gateway
Tax Increment Financing District



**Amended Project Plan &
Reinvestment Zone Financing Plan**

February 12, 1997
Amended – December 9, 1998
Amended – January 12, 2005
Amended – November 9, 2009
Amended – December 10, 2014
Amended August 26, 2015

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Plan Framework

- Section 1 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 2 REINVESTMENT ZONE FINANCING PLAN** includes an explanation of the increment financing, the financing strategy and the assumptions on which the plan for the Oak Cliff Gateway TIF is based. Also, the financial feasibility of the TIF is examined along with financial policies which have been adopted by the Board of Directors.

Section I – Project Plan

Summary of Plan and Discussion of Modifications

The Oak Cliff Gateway Tax Increment Financing (TIF) District represents an important opportunity for the City of Dallas to develop an attractive entry into the Oak Cliff area and to capitalize on the opportunities provided by the new Oak Cliff Trolley to connect downtown Dallas to key potential growth areas such as the neighborhood around Methodist Regional Medical Center, the Bishop Arts area and the Jefferson Corridor.

The district was created in 1992 to set the standard for job creation while building on successful developments downtown. The Oak Cliff Gateway community occupies a prime location for redevelopment activity between downtown Dallas and Kessler Park. This area, located on the hills overlooking the Trinity River, provides a superior location for new residential and commercial development. However, growth has been slower than expected. Some early developments, such as Lake Cliff Tower, helped to demonstrate the area's potential, but only in the past few years has significant development begun to occur. The district's taxable value has grown by more than \$120 million between 1992 and 2014, including recent developments such as Zang Triangle and Alexan Trinity, but the district lost ground between 2008 and 2011, and continued growth in the core of the district will take additional time.

Parts of the district continue to exhibit deteriorated structures, inadequate sidewalks and streets, tracts of vacant land, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of this part of Dallas.

Recently the City was approached by a development group hoping to help to connect the successes in the Bishop Arts area with the strength of the Jefferson Boulevard corridor by creating a new development between the two areas. This proposal provided an opportunity for the Oak Cliff Gateway TIF District to capitalize on the potential growth in its core area while helping to support new development farther south.

The 2014 modifications to the Oak Cliff Gateway TIF District timeframe, boundary, budget, and policies are intended to help to spur investment in Southern Dallas and encourage orderly redevelopment along the planned extension of the Oak Cliff Gateway trolley line from the Houston Street viaduct, along Zang Boulevard, south to Bishop Arts and beyond Jefferson Boulevard. The proposed changes to the plan include continuing funding for infrastructure needs for new development as well as environmental remediation and façade improvement for rehabilitation of older structures and economic development grants for projects that are not otherwise financially viable.

Modifications to the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan in 2014 included the following changes:

- Create two sub-districts within the Oak Cliff Gateway TIF District: (a) Oak Cliff Gateway Sub-district (original district boundary) and (b) Bishop/Jefferson Sub-district.
- Increase the geographic area of the Oak Cliff Gateway TIF District to add approximately 194 acres to create the Bishop/Jefferson Sub-district.
- Extend the termination date of the Oak Cliff Gateway TIF District from the City Council-established termination date of December 31, 2022 to December 31, 2027 for the Oak Cliff Gateway Sub-district and establish a termination date for the Bishop/Jefferson Sub-district of December 31, 2044.
- Maintain the percentage of tax increment contributed by the City of Dallas during the extended term of the Oak Cliff Gateway Sub-district at 85% and establish the percentage of tax increment contributed by the City of Dallas during the term of the Bishop/Jefferson Sub-district at 90%.
- A request will be submitted to the County to have the County participate at the rate of 65% for 20 years beginning in 2015 and ending in 2034 in the Bishop/Jefferson Sub-district.
- Increase the Oak Cliff Gateway TIF District's total budget from \$10,066,977 NPV (approximately \$33,432,572 total dollars) to \$28,621,027 NPV (approximately \$76,665,998 total dollars), an increase of \$18,554,050 NPV (approximately \$43,233,426 total dollars).
- Authorize an amendment to the participation agreement with Dallas County as a component of this budget increase.
- Restructure the TIF budget to consolidate and broaden categories of eligible project costs into the Oak Cliff Gateway Sub-District (original boundary area); a new category for the Bishop/Jefferson Sub-district; and retain the Education and Administration categories.
- Revised private development goals

Modifications in 2015 include adding 4.9 acres of vacant and underutilized property west of Beckley Avenue to allow Oxygen, a new \$38 million multi-family project whose project site is only partially in the district, to begin construction and thereby spur additional development on Beckley Avenue north of Methodist Medical Center. The net present value of the budget will remain the same.

Tax Increment Base

The total taxable appraised value of real property within the original Oak Cliff Gateway TIF District as of January 1, 1992, according to the Dallas Central Appraisal District (DCAD) was \$38,570,128. The appraised value of real property in this and all other Dallas TIF reinvestment zones combined will remain significantly below the statutory maximum of 15%. In addition, the appraised value of real property in this and all other Dallas TIF reinvestment zones combined was below the maximum threshold of 5% of the City's tax base as set by the City's Financial Management Performance Criteria (FMPC) when the district was created.

In 2009, the base value for the Oak Cliff Gateway TIF District was re-set at \$40,098,623 for the City value. The estimated 2014 base value of the new Bishop/Jefferson Sub-district, according to DCAD, is approximately \$105,400,615. The 2014 taxable base value may be revised when final 2014 figures are available and pending any litigation or tax roll corrections. The City will monitor property with different base years separately. Taxable values may vary by taxing jurisdiction due to different exemption levels.

Market Analysis and Development Program

Although market conditions have changed since Arthur Andersen & Co. prepared the market analysis of the Oak Cliff Gateway area in 1997, the basic focus is still valid. The analysis focused on the need to encourage initial growth and jump-start development within the district by finding productive uses for vacant land and stimulating job creation as a way to spur economic revitalization and increase long-term residential interest.

Based on the initial market research information, a current examination of local development trends, and assuming the development of a targeted implementation program, the TIF board suggested the following target projects:

- Lake Cliff Tower residential redevelopment with adjacent retail, townhome development along Greenbriar Avenue (completed in 2006)
- Core retail development (39,375 square feet completed in 2009)
- Mid and high rise residential with retail along Greenbriar Avenue (Trinity Townhomes development completed in 2007 and Alexan Trinity completed in 2014.)
- Land assembly for mixed use, high density development adjacent to the Trinity River, between Greenbriar Avenue and Interstate 30 on North Beckley Avenue and Burnett Field near Colorado Boulevard and Interstate 35 (to be completed).

Expansion of Methodist Medical Center's operations created an opportunity to focus denser development in the area roughly bounded by Zang Boulevard, Colorado Street, Beckley Avenue, I-30 and the Trinity River. The 2009 plan amendments provided for funding of the infrastructure and financing needs of this area, and the 2014 plan

amendments, including the extended time in the Oak Cliff Gateway Sub-District, give this area the time it needs to succeed.

These projects are designed to create momentum within the core of the TIF district, a key element in attracting potential investment into the neighborhood.

The planned expansions of the Oak Cliff trolley and recent development in both the Bishop Arts area and in the Jefferson Corridor have spurred interest in the blocks south of Bishop Arts. TIF funding will help to fund needed infrastructure improvements, complete façade restoration and environmental remediation projects, and spur development through economic development grants in an area of vacant lots, aging multi-family buildings, and under-utilized commercial land.

Area Attributes

The location of the Oak Cliff Gateway TIF District is an ideal setting for residential and commercial redevelopment due to its adjacency to the Trinity River and downtown, as well as its proximity to Interstates 30 and 35.

The pastoral dignity of Lake Cliff Park sets the tone for the Oak Cliff Gateway Sub-district. Scenic vistas from the park and other hillsides within the district are among the finest in Dallas. Potential redevelopment of the Trinity River provides an important bridge between the Oak Cliff Gateway area and Downtown Dallas. Major facilities and natural features of the area include Methodist Medical Center, Lake Cliff Park, Founders Park, school sites and the Trinity River.

The Bishop Arts and Jefferson Boulevard areas serve as a draw for visitors from across the North Texas region and provide destinations for shopping and dining. Proposed developments provide additional restaurant, retail, and residential space while providing needed access to transit and additional parking.

Linkages and corridors play a special role in the expanded Oak Cliff Gateway TIF District. The new Oak Cliff Trolley and both planned and existing trails are vital to development of the district and create the opportunity for expanded recreational, pedestrian, and transit connections both to downtown and through the region.

The Oak Cliff Trolley, when complete, will connect Oak Cliff to downtown Dallas and the greater regional light and heavy rail network. Passengers will be able to board in Oak Cliff and then transfer either to DART's light rail line or to the heavy rail line managed by the TRE which connects downtown Dallas to Fort Worth and the suburbs in between.

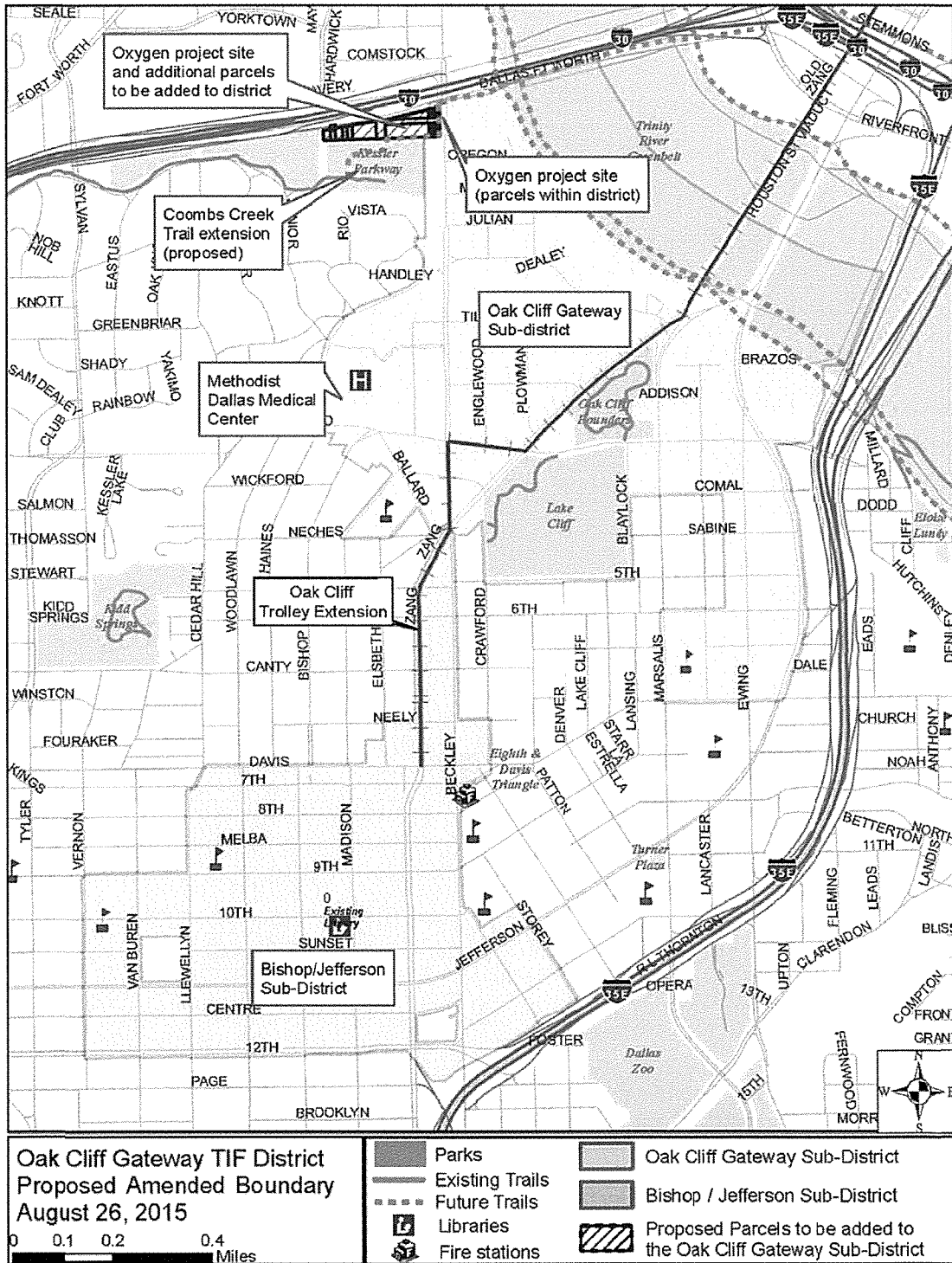
View corridors within the districts are a strong attribute of the area. The hilly topography of the area is unusual in Dallas, providing a dramatic setting to view the Downtown Dallas skyline.

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The Oak Cliff Gateway TIF district contains more of the original historic buildings than many of the other TIF districts. The designation of the Lake Cliff Historic District has helped to preserve this resource and establish a unique identity for the district.

Exhibit A: Oak Cliff Trolley, Area Trails, and Area Attributes



TIF District Boundaries

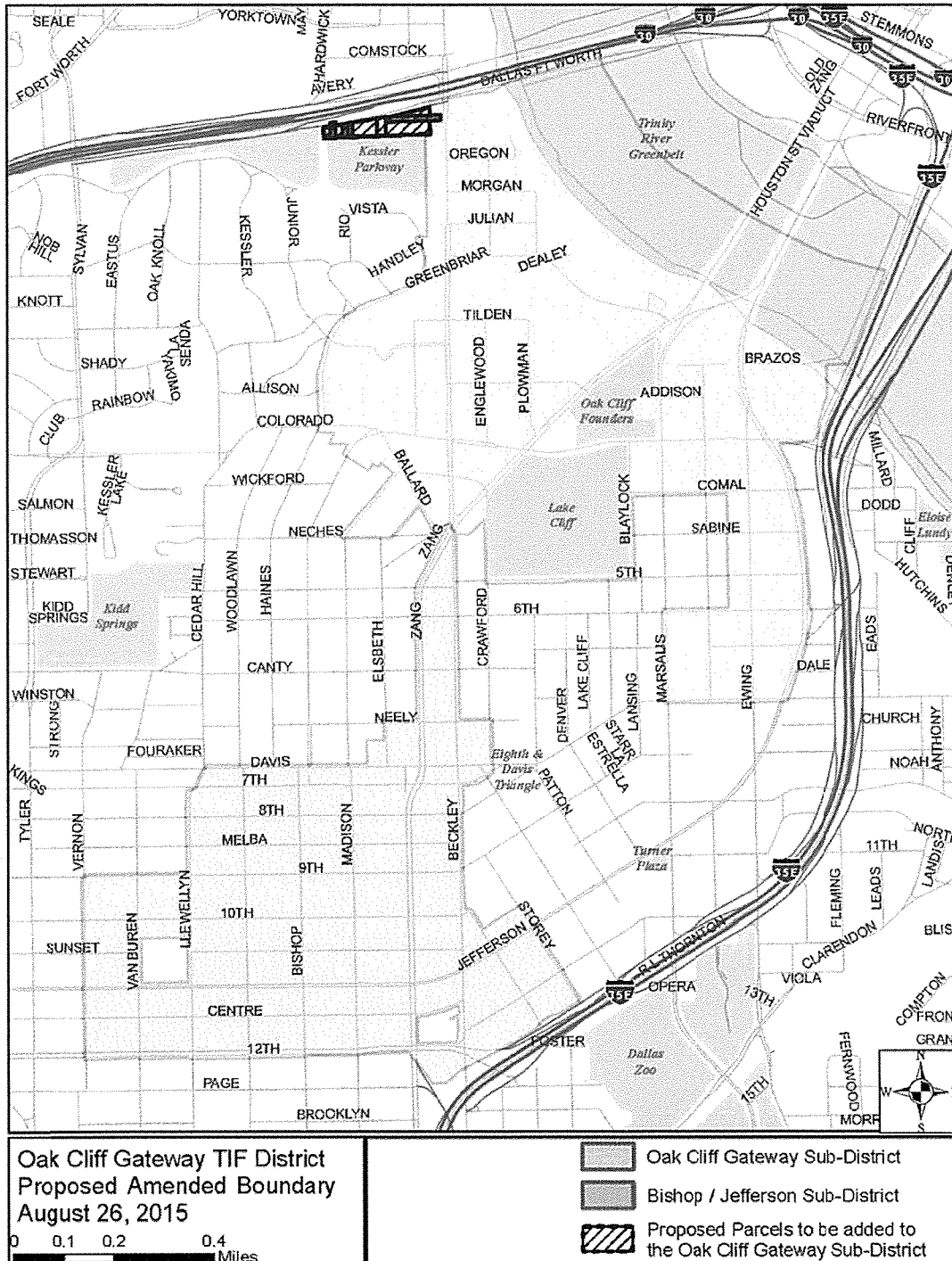
The expanded Oak Cliff Gateway TIF District is located adjacent to the Trinity River and southwest of Downtown Dallas. The Oak Cliff Gateway Sub-district is generally bounded by Interstate 30 and the Trinity River to the north, Interstate 35 and Jefferson Boulevard to the east, 5th and 8th Street to the south and Haines Avenue to the west. An approximately 30-acre tract previously excluded from the district through a 1998 boundary amendment was added back into the district in 2009.

The 2014 amendment adds the Bishop/Jefferson Sub-district as shown on the map in Exhibit C. This new sub-district is generally bounded by Davis Street on the north, Vernon Avenue and Llewellyn Avenue on the west, 12th Street on the south, and R.L. Thornton Freeway, Storey Street, Crawford Street and Beckley Avenue on the east.

The original district encompassed approximately 254 acres, not counting rights-of-way that the Dallas Central Appraisal District (DCAD) does not identify as land parcels. The Bishop/Jefferson Sub-district encompasses approximately 193 acres (excluding rights-of-way). The 2014 amended boundary had a total area of approximately 447 acres. The 2015 amendment brings the total to 453 acres.

Unless defined otherwise by a relevant City ordinance, district boundaries include all rights of way immediately adjacent to real property within the district, extending to the far sides of the rights of way. Boundaries that approximate property lines shall be construed as following such property lines.

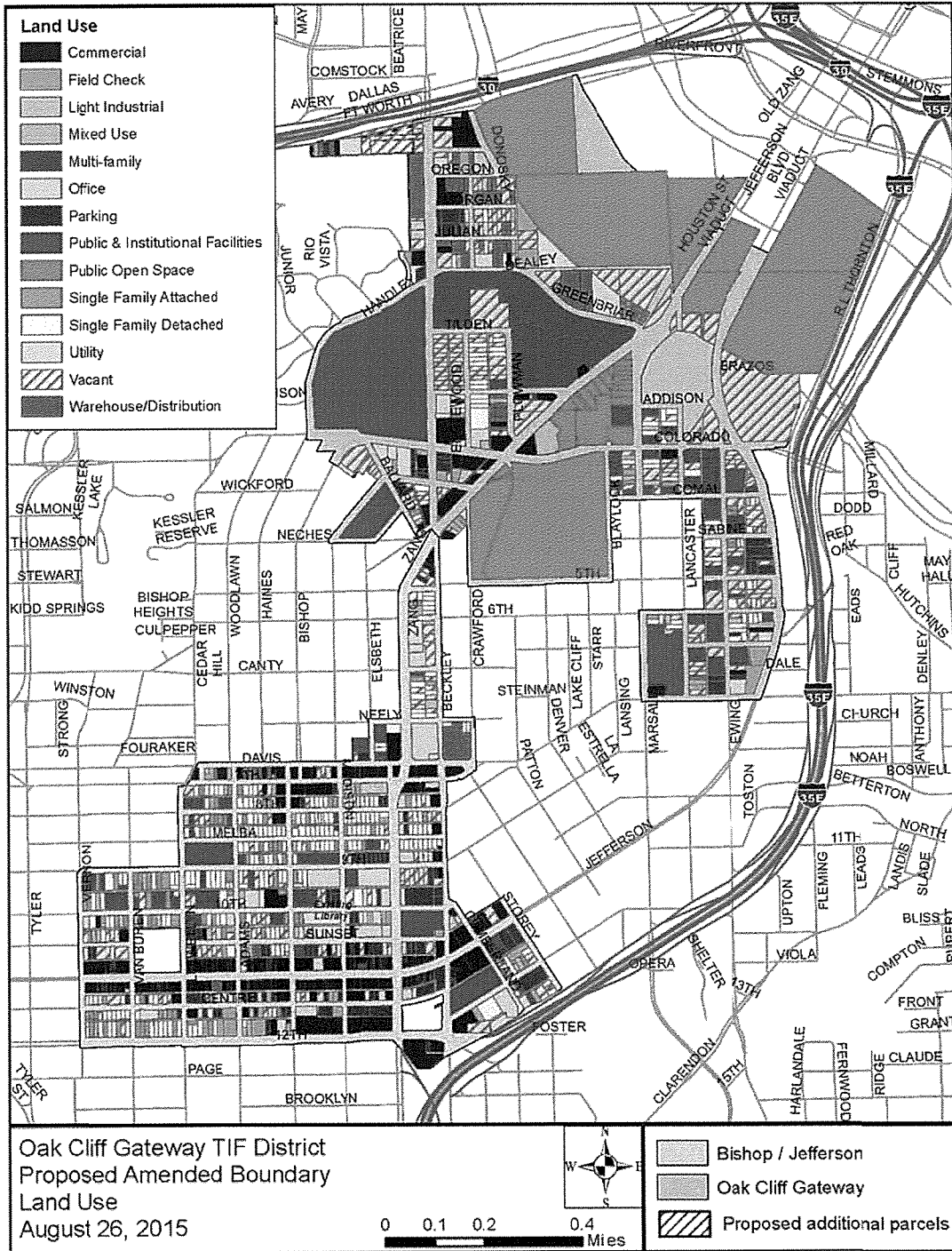
Exhibit B: Map of the Oak Cliff Gateway TIF District



Current Land Use

Land use in the Oak Cliff Gateway TIF District is mixed. Methodist Medical Center creates a major employment center at Beckley Avenue and Colorado Boulevard and has continued to grow during the life of the district. Residential uses and vacant land are scattered throughout the district. The highest concentration of retail use is located at the triangle formed at the intersections of Colorado Boulevard, Zang Boulevard and Beckley Avenue and along Jefferson Boulevard. The Bishop/Jefferson Sub-district is a mix of commercial, multi-family, and vacant land. The sub-district also includes limited single family residential uses.

Exhibit C: Oak Cliff Gateway TIF District Land Use Map (2009 data)



Oak Cliff Gateway Planned Development (PDD) Zoning

The Department of Development Services has been involved in a partnership effort to produce a development plan for the TIF district with input from property owners and business interests in the district, the board of directors for the Oak Cliff Gateway TIF and City staff.

In early 2011, the City created new a PD, based on the City's form-based code, for the northern portion of the area, to include the Oak Cliff Gateway Sub-district and portions of the Bishop/Jefferson Sub-district.

The new zoning designation is intended to create walkable urban neighborhoods where higher-density mixed uses and mixed housing types promote less dependence on the automobile.

In 2010, the City also created PD 830 for zoning near Bishop Avenue and Davis Street. This PD encourages the characteristics of an urban village, with wide sidewalks, street trees, doors and windows opening onto the street, and parking hidden away from the street.

Oak Cliff Gateway Strategic Implementation Plan

Oak Cliff Gateway TIF District is envisioned as a place where people come to work, live, shop, and to enjoy the parks, dining, entertainment, and historic districts. The Gateway retains the distinctive character of its historic settlement. It provides proximity to downtown Dallas as well as opportunities for jobs and business growth. The Trinity River Corridor and the area's parks entice residents, area workers and visitors to enjoy natural beauty, active recreation and quiet reflection. The Oak Cliff Gateway offers a unique park-like setting in the center of the Dallas region. Proposed new development and strategic re-development in the new Bishop/Jefferson Sub-district will be focused on respecting the existing historic buildings and neighborhood character of the area. Planned sidewalks, bike lanes, and green space offer alternatives to driving, and buildings nestle into the existing fabric of the street grid and the neighborhood.

Urban Land Institute (ULI) Study – A Strategy for the Oak Cliff Gateway District and Trinity Place

During the period of October 14-19, 2001, an advisory panel formed by the Urban Land Institute conducted a study of the Oak Cliff Gateway area with particular interest focused on the area of Planned Development District (PDD) 468, Sub-Area A, named for the purposes of the study as Trinity Place. The study (**Appendix A**) focused on Trinity Place, but also examined the entire area and formed conclusions and recommendations that identified the Trinity River Corridor Improvement Plan as a key to development and highly beneficial to the future planned development of the Oak Cliff Gateway TIF District.

The ULI Advisory Panel Study validated the Oak Cliff Gateway TIF District Project Plan and recommended a concentration of mixed-use, high-density development for the entire Sub-Area A with particular concentration of the uses on Burnett Field and the area north of Greenbriar Lane, between the Trinity River levy and Beckley Avenue to I-30, see **Exhibit E**. The advisory panel estimated the infrastructure costs associated with the implementation of this strategy and recommendations at approximately \$15,000,000.

Over the ensuing years, Greenbriar Lane has become a quiet residential street for dense, new townhomes and multifamily apartments.

Beckley Avenue north of Greenbriar Lane remains an opportunity for dense mixed use that takes advantage of the downtown views and proximity to the re-built IH-30 and connections to downtown.

The area east of Methodist Medical Center provides an opportunity for the hospital to expand its campus to the east and to provide additional jobs, investment, and tax base to the City and the district.

Design Guidelines

In 2012 the Oak Cliff Gateway TIF District board of directors adopted Design Guidelines for the district. These guidelines address both the design of private development and the public infrastructure adjacent to the development. The guidelines provide a set of standards that encourages dense, pedestrian oriented development with wide sidewalks, street trees, pedestrian lighting, and parking designed to minimize disruption of the public realm. Since 2013, the City has embraced a process of peer review of all TIF projects. Compliance with the Oak Cliff Gateway Design Guidelines and with the recommendations of the City's Urban Design Peer Review Panel (and other future design review processes) is a requirement for all TIF projects.

In particular, projects within the District will be encouraged to have sidewalks with a clear walking width of at least 7 feet and an additional landscape buffer to protect pedestrians from vehicular traffic. In addition, all projects will be encouraged to bury franchise utility lines, ensure adequate shade, and have first-floor street-facing residential and commercial spaces open directly onto the street frontage.

Planned Private Development

New construction within the TIF district is expected to increase the tax base by approximately \$919 million, raising the net present value of approximately \$26,621,027, or \$76,665,998 in total dollars in tax increment revenue which will be reinvested in the district.

This represents a goal of approximately 1,572,556 square feet of new residential construction (both single family/townhome units and apartment units) and 393,139 square feet of new commercial construction, to include retail, restaurant, and office space.

Planned Public Improvements

Planned public improvements include:

- Public infrastructure Improvements – streetscape, lighting and median improvements, water, wastewater, utility burial
- Pedestrian and lighting improvements throughout the district
- Education and training facilities
- Façade Improvements
- Environmental remediation, interior and exterior demolition assistance
- Economic development grants
- Administration

The Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan provides a long term program to replace and upgrade the area's infrastructure, assistance for environmental remediation and related interior and exterior demolition of buildings to be renovated for residential and commercial use, assistance for façade improvements in the TIF district, assistance for education and training facilities, and for economic development grants to offset the cost of dense, mixed-use redevelopment projects, new roadways, and other public-use improvements.

The TIF district also has the ability to convey public land for economic development purposes so long as the conveyance serves the public purpose of putting land back on the tax rolls, thereby increasing the value of the tax base.

The improvements planned for the Oak Cliff Gateway TIF District are designed to fully meet the long-term public needs to secure the growth and investment of the area. Planned improvements will focus on three major transportation corridors - Zang Boulevard, Colorado Boulevard, and Beckley Avenue – and local streets between Davis Avenue and 12th Street and between Vernon Avenue and Zang Boulevard. These site improvements are necessary for redevelopment, design and construction of recreational amenities, including an entry portal for the area and the planned parkway that will run parallel to the Trinity River.

Tax increment financing will be used to pay for these improvements. Utilizing this program to encourage public infrastructure improvements greatly improves the potential of attracting more commercial investment by improving the economics of the developing market in the district. The Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan also provides for extensive streetscape and other amenities, which complement existing and anticipated investment in the area.

Direct support of historic facade restoration efforts also provides an important incentive to assist new development in the district. The City of Dallas, using TIF funds, can participate in such a facade restoration program. Facade improvements under this program will be reviewed by the Oak Cliff Gateway TIF District Board and the City's

Urban Design Peer Review Panel (UDPRP) (or other future design review committee) to ensure compatibility with other improved structures and investment in the area.

The City may make economic development loans or grants to further implement this Plan and to encourage additional development in the district. Projects receiving such loans or grants must be consistent with the goals and objectives of the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan and will be subject to specific project agreements and City Council approval.

Linkages are critical to the Oak Cliff Gateway. Access to major transportation routes is part of the strength of the area. As such, new and enhanced connections are planned to build on these strengths. Planned sidewalks within the district link Lake Cliff and Founders Parks to Methodist Medical Center. Pedestrian and bike trail linkages with the Trinity River are planned. The Oak Cliff Trolley will provide additional transit routes from downtown's convention facilities to the restaurants and shops planned in the area.

Public and private land use and investment decisions based on this concept plan have begun to revitalize the Oak Cliff Gateway. Use of the Tax Increment Financing (TIF) district has added new public investment to supplement projects funded through City of Dallas bond funding programs. Designation of the Lake Cliff Historic District has helped to retain the area's historic neighborhood. Compatible zoning and reasonable variances with the creation of sub-districts have enabled investors to build the developments envisioned here. Lastly, urban design guidelines for public and private investments have ensured that the area's entry points and developments create an identifiable image for the Oak Cliff Gateway.

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.

Mixed Income Housing. Twenty percent of all housing units in projects using TIF funds will be affordable per the City's and County's established criteria for mixed income 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. 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 Oak Cliff Gateway 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.

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 goal is 25% for construction of public improvements. The goal for private improvements is negotiated in the development agreement.

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 II – 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/advances, 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 fund which is used to pay for the public improvements. Once the public improvements are completed and paid for, the TIF is dissolved and the full amount of the taxes collected in the area is 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 \$26,621,027 (NPV) or \$76,665,998 in total dollars of public improvements to be paid for with TIF funds or anticipated TIF increment collections. The financing plan developed by the board allows for the sale of TIF bond funds, if it is in the financial interest of the Oak Cliff Gateway TIF District and the City of Dallas.

Exhibit D: Oak Cliff Gateway Public Improvements Budget

Oak Cliff Gateway TIF District		
Category	TIF Budget (OCG: 1992 dollars) (BA: 2014 dollars)	TIF Budget (Total dollars)
Oak Cliff Gateway Sub-district <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$9,116,977	\$34,463,508
Bishop/Jefferson Sub-district <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$18,554,050	\$38,611,351
Educational/Training Facilities	\$200,000	\$756,029
Administration	\$750,000	\$2,835,110
Total Project Costs	\$28,621,027	\$76,665,998
<small>*In order to encourage development in the Bishop/Jefferson Sub-district, Administration expenses and Educational/Training Facilities expenses for the entire District shall be paid out of the Oak Cliff Gateway Sub-district until the Oak Cliff Gateway Sub-district expires. Remaining Administration and Educational/Training Facilities expenses shall then be paid from the Bishop/Jefferson Sub-district.</small>		

Financing Methodology: The City of Dallas/Oak Cliff Gateway TIF District may consider the sale of TIF bonds to finance infrastructure and other public-use improvements in an amount based upon the capacity assessment by the City's financial advisor. The bond debt service would be paid from the future increment revenues. Private developers will advance funds for public improvements in the reinvestment zone. Advances are to be repaid by the proceeds of the TIF bond sales and/or the future increment revenue cash flows to the TIF fund. Taxing jurisdictions need not guarantee these bond and loan repayments with any other source. Private lenders would loan funds only when they were confident that future 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: TIF bonds may be issued for the Oak Cliff Gateway TIF District in an amount not to exceed the capacity assessment provided by the City's bound counsel and financial advisor.

Financing Policy: The goal of the Oak Cliff Gateway TIF District is to leverage increment accrued to maximize development in the district.

Long-Term Financing: The City has decided use a dual methodology to finance all subsequent phases of infrastructure and public improvements. After the district satisfied the debt service on the bonds, the district decided to use the remaining increment revenues for additional projects on a "pay-as-you-go basis." Future TIF-funded projects will be reimbursed only after completing all required elements in each project's development agreement.

Expected Revenues: Cumulative private development is expected to exceed approximately \$311 million during the remainder of the 30-year development program, resulting in new taxable value of more than \$919 million at the end of the district. This assumes all taxing jurisdictions participate by 100% through 2012, except the Dallas Independent School District (63%) until 2011. During the initial 10-year term extension only the City of Dallas and Dallas County participated at the rates of 85% and 65%, respectively. During the proposed 2014 term extension, the City will participate in the Oak Cliff Gateway Sub-district at 85% and in the Bishop/Jefferson Sub-district at 90%. The County will be asked to participate in the Bishop/Jefferson Sub-district for 20 years at 65%.

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:

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Inflation and Appreciation. The generally accepted inflator for construction costs and the value of improvements is five and three-quarters percent (5.75%) per annum. Net present values of the tax increment were calculated at this rate.

Tax Rate Changes. Although tax rates may increase during the future development period, the financial plan assumes that the tax rate will remain constant for the life of the TIF district.

Financial Feasibility

The private development plans; public improvement program, general financing strategy and financial assumptions of the original plan were all included in an economic feasibility study prepared by Arthur Andersen & Co.

Cumulative increased property value is expected to reach approximately \$919 million during the extended term of the TIF district. Coupled with predicted increases in land values, the total taxable value reaches \$1 billion.

Exhibit E: Oak Cliff Gateway TIF Increment Schedule
Oak Cliff Gateway Sub-district

Tax Year	Net Taxable Assessed Value		Annual Growth	Captured Appraised Value		Captured Appraised Value County	Tax Increment Revenue Total Dollars	Accumulated Net Present Value	Tax Increment Revenue		Tax Increment Revenue DCHD	Tax Increment Revenue DCCCD
	City	City		City	County				City	Dallas County		
Base Year												
1992	\$38,570,128											
1993	\$38,245,158	(\$324,970)	-0.84%				\$0	\$0	\$0	\$0	\$0	\$0
1994	\$38,699,692	\$129,564	1.19%				\$0	\$0	\$0	\$0	\$0	\$0
1995	\$38,323,980	(\$246,148)	-0.97%				\$0	\$0	\$0	\$0	\$0	\$0
1996	\$39,118,366	\$548,238	2.07%				\$0	\$0	\$0	\$0	\$0	\$0
1997	\$41,514,962	\$2,944,534	6.13%				\$59,146	\$44,722	\$19,189	\$5,919	\$5,471	\$1,472
1998	\$43,746,236	\$5,176,108	5.37%				\$103,331	\$118,606	\$33,598	\$10,207	\$9,312	\$2,588
1999	\$45,659,848	\$7,089,720	4.37%				\$142,199	\$214,752	\$47,324	\$13,868	\$13,868	\$3,566
2000	\$51,431,069	\$12,860,941	12.64%				\$266,401	\$385,083	\$85,847	\$25,188	\$32,641	\$6,444
2001	\$54,818,286	\$16,248,158	6.59%				\$339,026	\$590,062	\$108,456	\$31,827	\$41,245	\$9,771
2002	\$56,761,977	\$18,191,849	3.55%				\$385,383	\$810,400	\$127,307	\$35,636	\$46,181	\$10,947
2003	\$52,797,457	\$14,227,329	-6.98%				\$260,649	\$951,319	\$85,116	\$24,785	\$30,875	\$9,496
2004	\$55,421,996	\$16,851,868	4.97%				\$324,311	\$1,117,124	\$111,266	\$30,582	\$36,950	\$11,695
2005	\$57,308,839	\$18,738,711	3.40%				\$412,881	\$1,316,733	\$138,985	\$40,039	\$47,546	\$15,336
2006	\$60,675,614	\$22,105,486	5.87%				\$485,923	\$1,538,881	\$161,193	\$47,284	\$56,148	\$17,905
2007	\$76,125,212	\$37,555,084	25.46%				\$772,572	\$1,872,871	\$256,776	\$84,545	\$87,155	\$27,649
2008	\$95,665,708	\$57,095,580	25.67%				\$1,212,775	\$2,368,657	\$402,920	\$129,094	\$136,763	\$43,384
2009	\$104,589,616	\$66,019,488	9.33%				\$1,453,846	\$2,930,677	\$469,662	\$150,499	\$167,588	\$53,176
New Base												
2010	\$98,972,493	\$58,874,870	-5.37%				\$1,374,736	\$3,493,219	\$469,233	\$143,015	\$159,429	\$55,978
2011	\$95,104,431	\$55,006,808	-3.91%				\$1,270,510	\$3,872,408	\$433,545	\$142,142	\$147,357	\$51,697
2012	\$139,484,827	\$99,387,204	46.66%				\$2,397,184	\$4,656,007	\$811,126	\$272,455	\$275,705	\$97,671
2013	\$153,397,659	\$113,300,036	9.97%				\$946,511	\$4,948,582	\$767,551	\$178,960	\$0	\$0
2014	\$168,670,265	\$128,572,642	9.96%				\$1,074,179	\$5,262,567	\$871,015	\$203,164	\$0	\$0
2015	\$211,862,113	\$171,784,490	25.61%				\$1,435,032	\$5,659,222	\$1,163,619	\$271,414	\$0	\$0
2016	\$229,017,976	\$188,920,353	8.10%				\$1,578,363	\$6,071,774	\$1,279,841	\$0	\$0	\$0
2017	\$250,888,516	\$210,790,893	9.55%				\$1,428,003	\$6,424,729	\$1,428,003	\$0	\$0	\$0
2018	\$258,415,171	\$218,317,548	3.00%				\$1,478,992	\$6,770,410	\$1,478,992	\$0	\$0	\$0
2019	\$266,167,626	\$226,070,003	3.00%				\$1,531,511	\$7,108,904	\$1,531,511	\$0	\$0	\$0
2020	\$274,152,655	\$234,055,032	3.00%				\$1,585,606	\$7,440,298	\$1,585,606	\$0	\$0	\$0
2021	\$339,766,635	\$299,669,012	23.93%				\$2,030,108	\$7,841,523	\$2,030,108	\$0	\$0	\$0
2022	\$349,959,634	\$309,862,011	3.00%				\$2,099,160	\$8,233,637	\$2,099,160	\$0	\$0	\$0
2023	\$360,456,423	\$320,360,800	3.00%				\$2,170,284	\$8,617,390	\$2,170,284	\$0	\$0	\$0
2024	\$371,272,175	\$331,174,552	3.00%				\$2,243,542	\$8,992,330	\$2,243,542	\$0	\$0	\$0
2025	\$382,410,341	\$342,312,718	3.00%				\$2,318,998	\$9,398,608	\$2,318,998	\$0	\$0	\$0
2026	\$393,882,651	\$353,785,028	3.00%				\$2,396,717	\$9,716,974	\$2,396,717	\$0	\$0	\$0
2027	\$405,699,130	\$365,601,507	3.00%				\$2,476,767	\$10,066,977	\$2,476,767	\$0	\$0	\$0
							\$38,054,647	\$10,066,977	\$29,603,257	\$2,129,144	\$1,294,232	\$418,776

**Exhibit F: Oak Cliff Gateway TIF Increment Schedule
Bishop/Jefferson Sub-district**

Oak Cliff Gateway TIF District Increment Collection Chart - Bishop/Jefferson Village Sub-district													
Tax Year	Property Value Estimate	Added Value Estimated	Property Value Growth	Anticipated Captured Value	Tax Increment Revenue City	Tax Increment Revenue City	Tax Increment Revenue (NPV) City	Tax Increment Revenue Dallas County	Tax Increment Revenue (NPV) Dallas County	Tot. Anticipated Increment Revenue	Tot. Anticipated Revenue (NPV)	Tot. Anticipated Accumulated Revenue (NPV)	
2014	\$105,400,615												
2015	\$108,562,633	\$3,162,018	3.00%	\$3,162,018	\$22,681	\$21,448	\$4,986	\$4,725	\$27,678	\$27,678	\$26,173	\$26,173	
2016	\$111,819,512	\$3,256,879	3.00%	\$6,418,897	\$46,043	\$62,620	\$10,143	\$13,795	\$56,186	\$56,186	\$76,414	\$76,414	
2017	\$121,365,483	\$9,545,971	8.54%	\$15,964,868	\$114,516	\$159,453	\$25,227	\$35,126	\$139,743	\$139,743	\$194,579	\$194,579	
2018	\$150,832,881	\$29,467,397	24.28%	\$45,432,266	\$325,886	\$420,035	\$170,688	\$214,032	\$397,675	\$397,675	\$512,565	\$512,565	
2019	\$207,092,304	\$56,259,424	37.30%	\$101,691,689	\$729,434	\$971,584	\$160,688	\$214,032	\$890,123	\$890,123	\$1,185,616	\$1,185,616	
2020	\$260,007,296	\$52,914,992	25.55%	\$154,606,681	\$1,108,994	\$1,764,536	\$244,302	\$388,712	\$1,353,295	\$1,353,295	\$2,153,248	\$2,153,248	
2021	\$281,128,987	\$21,121,690	8.12%	\$175,728,372	\$1,260,500	\$2,616,812	\$277,677	\$376,461	\$1,538,177	\$1,538,177	\$3,193,273	\$3,193,273	
2022	\$304,455,774	\$23,326,787	8.30%	\$199,055,159	\$1,427,823	\$3,529,729	\$314,537	\$777,569	\$1,742,360	\$1,742,360	\$4,307,297	\$4,307,297	
2023	\$313,589,447	\$9,133,673	3.00%	\$208,188,832	\$1,493,338	\$4,432,619	\$328,970	\$976,468	\$1,822,308	\$1,822,308	\$5,409,086	\$5,409,086	
2024	\$350,337,447	\$36,748,000	11.72%	\$244,936,832	\$1,756,932	\$5,437,121	\$387,037	\$1,197,751	\$2,143,969	\$2,143,969	\$6,694,872	\$6,694,872	
2025	\$375,959,851	\$25,622,405	7.31%	\$270,559,236	\$1,940,721	\$6,486,372	\$427,524	\$1,428,892	\$2,368,246	\$2,368,246	\$7,915,263	\$7,915,263	
2026	\$387,238,647	\$11,278,796	3.00%	\$281,838,032	\$2,021,624	\$7,519,932	\$445,346	\$1,656,576	\$2,466,971	\$2,466,971	\$9,176,508	\$9,176,508	
2027	\$398,855,806	\$11,617,159	3.00%	\$293,455,191	\$2,104,954	\$8,537,581	\$463,703	\$1,880,755	\$2,568,657	\$2,568,657	\$10,418,336	\$10,418,336	
2028	\$410,821,480	\$11,965,674	3.00%	\$305,420,865	\$2,190,784	\$9,539,134	\$482,611	\$2,101,389	\$2,673,395	\$2,673,395	\$11,640,523	\$11,640,523	
2029	\$423,146,125	\$12,324,644	3.00%	\$317,745,510	\$2,279,189	\$10,524,448	\$502,086	\$2,318,445	\$2,781,274	\$2,781,274	\$12,842,893	\$12,842,893	
2030	\$435,840,509	\$12,694,384	3.00%	\$330,439,894	\$2,370,245	\$11,493,411	\$522,145	\$2,531,899	\$2,892,390	\$2,892,390	\$14,025,311	\$14,025,311	
2031	\$448,915,724	\$13,075,215	3.00%	\$343,515,109	\$2,464,034	\$12,445,945	\$542,805	\$2,741,734	\$3,006,639	\$3,006,639	\$15,187,679	\$15,187,679	
2032	\$462,383,196	\$13,467,472	3.00%	\$356,982,581	\$2,560,636	\$13,381,939	\$564,086	\$2,947,939	\$3,124,722	\$3,124,722	\$16,329,938	\$16,329,938	
2033	\$476,254,691	\$13,871,496	3.00%	\$370,854,076	\$2,660,136	\$14,301,552	\$586,005	\$3,150,509	\$3,246,141	\$3,246,141	\$17,452,061	\$17,452,061	
2034	\$490,542,332	\$14,287,641	3.00%	\$385,141,717	\$2,762,622	\$15,204,607	\$608,582	\$3,349,444	\$3,371,203	\$3,371,203	\$18,554,050	\$18,554,050	
2035	\$505,258,602	\$14,716,270	3.00%	\$399,857,987	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2036	\$520,416,360	\$15,157,758	3.00%	\$415,015,745	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2037	\$536,028,851	\$15,612,491	3.00%	\$430,628,236	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2038	\$552,109,716	\$16,080,866	3.00%	\$446,709,101	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2039	\$568,673,008	\$16,563,291	3.00%	\$463,272,393	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2040	\$585,733,198	\$17,060,190	3.00%	\$480,332,583	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2041	\$603,305,194	\$17,571,996	3.00%	\$497,904,579	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2042	\$621,404,350	\$18,098,156	3.00%	\$516,003,735	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2043	\$640,046,480	\$18,642,130	3.00%	\$534,645,865	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
2044	\$659,247,875	\$19,201,394	3.00%	\$553,847,260	\$0	\$15,204,607	\$0	\$0	\$0	\$0	\$18,554,050	\$18,554,050	
Totals				\$553,847,260	\$31,641,092		\$6,970,259	\$2,318,445	\$38,611,351				

Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program, as amended. This program provides a framework for development incentives in a variety of areas. Within this framework the Oak Cliff Gateway board of directors has adopted specific policies for the Oak Cliff Gateway TIF District.

Pedestrian/lighting, street tree and landscaping projects are recognized as an important component of the Oak Cliff Gateway TIF District Public Improvement Plan; therefore, whenever possible a portion of the increment accrued will be set aside for such projects.

Public improvements will be phased at a pace which coincides with private development. Publicly accessible parking facility improvements will be phased to coincide with the pace of related improvements. Projects in the Bishop/Jefferson Sub-district may be required to provide additional publicly accessible parking above the immediate needs of the project. This parking may be required to be structured or otherwise constructed to minimize its impact on the public realm.

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 the design guidelines adopted by the Oak Cliff Gateway board of directors in order to receive cost participation benefits for infrastructure improvements.

The Oak Cliff Gateway TIF board may from time-to-time recommend amendments to these financial policies, which will affect the operations of the TIF district.

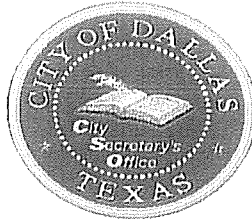
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Conclusions

Based upon a set of conservative assumptions and analysis of the project and financing plan, the Oak Cliff Gateway board of directors has concluded that the project and financing plan is feasible.

The success of the Oak Cliff Gateway TIF development will allow the redevelopment of the area. The new residential population base will be supported by redevelopment efforts in the area near downtown Dallas. The expansion of retail and entertainment 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. The Oak Cliff Gateway Project Plan and Reinvestment Zone Financing Plan was developed with these specific needs in mind.



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 'AUG 26 2015

ORDINANCE NUMBER 29843

DATE PUBLISHED 'AUG 29 2015

ATTESTED BY: