

**TIF Increment Allocation Policy
Maple/Mockingbird TIF District
Approved by the TIF Board March 25, 2013**

It is important for the City of Dallas to encourage as many projects as possible in the Maple/Mockingbird TIF District (the "Maple/Mockingbird TIF" or "District"). In that spirit, Maple/Mockingbird TIF funds will be allocated to Developers proportionately, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District, after payment of administrative expenses.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. The Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

Related Project/Developer – if a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a TIF-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible Project must have at least 50% ownership in any Related Project. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or demolished structures.
- Redevelopment or major modification of an existing building if this results in an increased taxable value of 50% or more of the original building or any increase in the floor area of an original building if the expansion is over 50% for residential projects, over 65% for mixed-use projects, and over 75% for office/showroom projects.

Total Increment – the annual amount of increment deposited into the TIF fund from the participating jurisdictions.

Individual Increment – the portion of the increment that a Project or Related Project creates each year.

Net Individual Increment – Individual Increment less the Project's and/or Related Project's portion of Administrative Expenses each year. This portion will be based on the ratio of Individual Increment to Total Increment.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

Shared Increment – the Total Increment less (1) the portion of Administrative Expenses not already deducted from Individual Increment, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Developers.

Available Cash - cash in the Maple/Mockingbird TIF fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses based on a ratio of Individual Increments and any remaining costs from unallocated increment in the TIF fund and the amount allocated for District-Wide Improvements (as described below). After Administrative Expenses and any District-Wide Improvement allocations have been paid or set aside, Developers approved for TIF funding from the Maple/Mockingbird TIF will be eligible to receive their Net Individual Increment.

In addition to their Net Individual Increment, Developers will be eligible to receive a portion of any Shared Increment. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement for that year.

Dallas Central Appraisal District (DCAD) certified values for each tax year will be the data source used to determine values for the increment allocation procedure. However, no increment allocation will be made unless a total Project or specific phase as defined in a development agreement is completed by May 1st of a given year, as evidenced by City approval of all supporting documents required in the development agreement. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

Pre-existing Agreements

The Maple/Mockingbird TIF District does not have any pre-existing development agreements.

District-Wide Improvement Set-Aside

The TIF Board may set-aside 5% of any Shared increment for District-Wide Improvements after administrative expenses. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs.

Catalyst Project - Maple Station Project increment set-aside

Maple Station Project will be eligible to receive its own increment plus the first \$3,000,000 in shared increment after paying administrative expenses and District-Wide Set Aside, subject to meeting all terms of the development agreement.

Sample Illustrations:

1. The following is a general example to illustrate the allocation procedure for the Maple Station Project increment set-aside up to \$3,000,000 TIF incentives.

Total Increment for the District	100
Less Administrative Expenses	<u>-10</u>
5% District-Wide Set-Aside	-5
Subtotal	85
Maple Station Project Increment	
Project Increment	50
+ 100% of Shared Increment up to \$3,000,000	35
Total Increment to Maple Station Project	85

2. The following is a general example to illustrate the procedure where the Maple Station Project increment set-aside is paid off and a second project is eligible for reimbursement/increment payments. These projects will keep their own increment and will be eligible for their proportion of shared increments.

Total Increment for the District	120
Less Administrative Expenses	<u>-12</u>
Subtotal	108
5% for District-Wide Improvements	-5
Total for Projects	103
Distribution of Increment for Projects:	
Maple Station Project increment (after set-aside)	50
+ % of shared increment	<u>7</u>
Maple Project tot increment	57
Second Project Increment (Ex. Project 2)	40
+ % of shared increment	<u>-6</u>
Second Project tot increment	46

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. Upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the TIF District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the

Individual Increments for that year. If there is no revenue available after administrative expenses, there will be no increment payments that year.

At its discretion, the Maple/Mockingbird TIF Board may make modifications or corrections to this Policy to increase its effectiveness.