

# Memorandum



DATE **March 20, 2009**

TO **Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Sheffie Kadane, Mitchell Rasansky, Linda Koop, Steve Salazar**

SUBJECT **Amending Ethics Code to allow TIF Board members to acquire property within TIF Zones for the Dallas City Council, March 25, 2009 Agenda**

The City Council will consider a resolution on March 25, 2009, to amend Chapter 12A of the Dallas City Code to allow TIF board members to acquire property within the reinvestment zones they represent. On June 28, 2009, the City Council had referred this ordinance to the Economic Development Committee and the Ethics Advisory Commission for "review and recommendation" to the City Council.

The Ethics Advisory Commission (EAC) did not support changes recommended by the Economic Development Committee that allowed TIF Board members to have a direct or indirect financial interest in TIF contracts involving the use of TIF funds as long as they recuse themselves from any discussions that might directly or indirectly benefit such individual property interests. The current recommendation requires a board member to forfeit his/her seat if the TIF Board member is seeking TIF incentives from the TIF District on which he or she serves. A summary of the changes to the current conflicts rules for TIF board members follows:

## **SUMMARY OF CHANGES - TIF BOARD MEMBERS/CONFLICTS RULES**

<b>May a TIF board member:</b>	<b>Current TIF Board Rules</b>	<b>Proposed Amendment</b>
<b>1. At time of appointment, own property in the TIF zone on which the board member serves?</b>	<b>Yes.</b>	<b>Yes.</b>

<b>May a TIF board member:</b>	<b>Current TIF Board Rules</b>	<b>Proposed Amendment</b>
<p><b>2. Participate in discussions and vote on TIF matters that directly or indirectly affect his/her property in the TIF zone?</b></p>	<p><b>Yes.</b>            A TIF board member may participate in discussions and vote on TIF projects that <u>directly or indirectly</u> affect his/her property in the TIF zone.</p>	<p><b>No.</b>            A TIF board member may not participate in or vote on TIF projects that <u>directly affect</u> (within 200 feet of his/her property) the board member's property in the TIF zone. If the TIF project <u>directly affects</u> his/her property, then the board member must disclose his/her interest and recuse himself/ herself from discussions and voting.</p>
<p><b>3. Have a financial interest in a contract or bid, negotiate, or enter into a contract involving the use of TIF funds from the TIF zone on which the board member serves?</b></p>	<p><b>Yes.</b></p>	<p><b>No.</b>            A financial interest in such a contract will subject the TIF board member to forfeiture of his/her position.</p>

May a TIF board member:	Current TIF Board Rules	Proposed Amendment
<p><b>4. During his/her tenure, acquire property in the TIF zone on which the board member serves?</b></p>	<p><b>No.</b>                      It is considered an acquisition of an interest in a matter that is subject to impending official action of the city.</p>	<p><b>Yes.</b>                      However, the TIF board member may not vote on TIF matters that directly affect the acquired property (disclosure and recusal required) and the TIF board member may not have a financial interest in the use of TIF funds with respect to the acquired property (forfeiture of board position).</p>
<p><b>5. Have a direct or indirect financial interest in other contracts with the City?</b></p>	<p><b>Yes.</b></p>	<p><b>Yes.</b>                      A TIF board member may have a financial interest in other city contracts that do not involve the use of TIF funds from the TIF zone on which the board member serves.</p>

**Financing**

No cost consideration to the City.

**Recommendation**

Staff recommends City Council approval of these changes.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez  
 Assistant City Manager

**TIF District Conflicts of Interest Amendment**  
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**C: The Honorable Mayor and Members of the City Council**  
**Mary K. Suhm, City Manager**  
**Deborah Watkins, City Secretary**  
**Tom Perkins, City Attorney**  
**Craig Kinton, City Auditor**  
**Judge C. Victor Lander, Judiciary**  
**Ryan S. Evans, First Assistant City Manager**  
**Forest Turner, Interim Assistant City Manager**  
**Ramon Miguez, P.E., Assistant City Manager**  
**Jill A. Jordan, P.E., Assistant City Manager**  
**Dave Cook, Chief Financial Officer**  
**Jeanne Chipperfield, Director, Budget & Management Services**  
**Karl Zavitkovsky Director, Office of Economic Development**  
**Hammond Perot, Assistant Director, Office of Economic Development**  
**Helena Stevens-Thompson, Assistant to the City Manager**