

Potential Policy for Assisting the Central Business District in its Path towards Critical Mass



Briefing to
Economic Development and Housing Committee
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By Office of Economic Development

Issues

- ❑ Interest of developers to create more housing opportunities in and around Central Business District (CBD).
- ❑ Downtown critical mass goals have not been achieved – important for current development crossroads.
- ❑ Many development projects Downtown are not economically feasible without incentives.

Issues (Continued)

- Within Downtown Connection TIF Districts tax abatements may not be granted because of bond obligations. Allowing tax abatements within the City Center TIF District will affect the future stability of increment reimbursements.
- The City's investment to date may be negatively affected if we do not find a way to stimulate the residential housing market in Downtown.

Problem

- How do we as a City make sure that the downtown development momentum does not stall?

Solutions

1. Support residential development projects that are committed to the vision of Downtown Dallas; and
2. Incentivize projects which lack the ability to receive historic tax abatements within the TIF Districts; and
3. Assist projects that would otherwise be economically unfeasible; and
4. Provide economic development incentives to stimulate additional in-town housing units in order to reach this critical mass.

Potential New Policy

- The city will incentivize a residential development project within the CBD, inside the freeway loop, but outside the Downtown Connection and City Center TIF Districts with a tax abatement.

In exchange for

- Second residential development project within the Downtown Connection and City Center TIF Districts that will not receive a tax abatement.

Concept

- This will guarantee two residential housing developments within the CBD to add to critical mass.
- The developer can use financial savings created by the tax abatement for the first project to make second project (within the TIF Districts) financially feasible.

Next Steps

- Economic Development and Housing Committee to recommend if staff should move forward with policy concept.
- Staff will explore potential policy as an amendment to the Public/Private Partnership Program.