

Memorandum



DATE: September 17, 2010

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

SUBJECT: **Call a public hearing to consider creation of TIF Reinvestment Zone Number Nineteen (Cypress Waters TIF District) to be held on December 8, 2010; Cypress Waters TIF District; Council District 6; Agenda Item, September 22, 2010**

A briefing on the proposed Cypress Waters Tax Increment Financing (TIF) District will accompany this memo, providing additional information on the proposed TIF district.

State law requires that a public hearing be held in order to consider creation of a new TIF reinvestment zone to allow all interested parties to speak in favor of or against the zone.

A 60-day notification period is required prior to a public hearing to create a new TIF reinvestment zone. This action calls a public hearing on December 8, 2010 to consider the creation of TIF Reinvestment Zone Nineteen (Cypress Waters TIF District) and adopt the Cypress Waters Preliminary TIF District Project Plan and Reinvestment Zone Financing Plan. The Cypress Waters Tax Increment Financing (TIF) District is intended to encourage the initial development of the largest tract of undeveloped land within the City of Dallas (approximately 1,661 acres in total) surrounding North Lake. This district will promote the development of pedestrian-oriented traditional neighborhood development (TND) containing multifamily and residential development, a potential senior housing component, pedestrian-oriented retail development, and additional commercial development. Anticipated projects within the district will encourage greater job opportunities and improved housing options for the area.

The district is located in the area north and east of the intersection of LBJ Freeway (I-635) and Belt Line Road, with the entire site being located within the City of Dallas. The district contains approximately 939 acres of contiguous undeveloped land which will be adjacent to a 362 acre lake (upon the planned reduction of North Lake). Due to the remoteness of the property in the Cypress Waters TIF District from the remainder of the City of Dallas, fully developing the property will require significant public expenditures for infrastructure/utility improvements (including extensive water and wastewater transmission, storage and distribution improvements); construction of primary roadway improvements; facilities for police, fire and emergency services; environmental remediation; lake reclamation, etc. The use of TIF funds will allow this large, master-planned development which is

currently located outside of accessible City of Dallas services to commence development much sooner, and to proceed to completion much more quickly, than such would occur absent the use and availability of TIF funds.

The taxable appraised value of real property in the Zone for tax year 2010 was \$75,672, based on information from the Dallas Central Appraisal District. The base value of the district will be adjusted to match final tax roll figures when available. The base value equated to 0.0001% of the \$71,083,488,723 of taxable real property in the City of Dallas. Texas cities may not designate a reinvestment zone if the total appraised value of taxable real property in the proposed zone and other existing zones exceeds 15% of the total appraised value of taxable real property in the municipality. The value of the proposed zone and other reinvestment zones in Dallas is less than this statutory limit.

Moreover, the appraised value of taxable real property in this and all other Dallas TIF reinvestment zones combined is below the maximum threshold of 10% of the City's tax base as set by the City's Financial Management Performance Criteria (FMPC) as amended on September 24, 2008.

Currently, the proportion of the City's tax base contained in TIF districts is 6.9% based on FMPC guidelines (vs. 10% cap) and 8.6% for taxable real property only (State cap is 15%). The proposed Cypress Waters TIF District would not impact the percentages.

The Cypress Waters TIF District Preliminary Plan's defined redevelopment goals are provided below:

- Goal 1 – To create additional taxable value attributed to new private investment in projects in the Cypress Waters TIF District totaling approximately \$2.7 billion over the thirty year life of the TIF District.
- Goal 2 – To attract new private development, including approximately 10,000 new residential units, 4,000,000 square feet of commercial space (including approximately 700,000 square feet of data center use and 2,000,000 square feet of light warehouse/industrial use), and an estimated 150,000 square feet of pedestrian-oriented retail space, all of which are estimated to create an estimated 9,000 on site jobs.
- Goal 3 – To improve ridership on DART via the planned expansion along the Cotton Belt Line.
- Goal 4 – To improve recreational opportunities for the community and the future residents within the TIF district via extensive, publicly accessible green space on the site along the lake edge and along power line easements in addition to multiple parks, hike and bike trails and pedestrian connections throughout the District. Additional

open space may be available through the utilization of Coppell ISD land and as part of an MMD and/or TIF-funded public amenity center, at developer's option.

- Goal 5 – To create a model for exceptional development standards in terms of its complexity, scope, design, environmental sensitivity, and connectivity.
- Goal 6 – To develop the property in a manner where fiscal impacts for the remainder of the City are limited and a development pattern is secured that is a net benefit to the City from a fiscal, land use and community standpoint.
- Goal 7 – To generate an NPV of \$68 million or approximately \$157 million in total dollars in TIF revenues over the 30-year life of the district.

At the close of the public hearing on December 8, 2010, the City Council will consider an ordinance creating TIF Reinvestment Zone Nineteen (Cypress Waters TIF District).

STAFF

Karl Stundins, Manager, Area Redevelopment Division
Pam Thompson, Economic Development Analyst

RECOMMENDATION

Staff recommends approval. Please contact me if you have any questions.



A. C. Gonzalez
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Cypress Waters TIF District



Economic Development Committee

September 20, 2010

Overview

- ◆ Cypress Waters is a proposed TIF district located north and east of the intersection of LBJ Freeway (I-635) and Belt Line Road. It is entirely in the City of Dallas.
- ◆ The area is on the DART light rail system's planned Cotton Belt Line.
- ◆ During the 30-year term of the proposed TIF district, approximately \$2.7 billion dollars is expected to be invested in the district.



Background – FMPC and State caps

- The City's Financial Management Performance Criteria (FMPC) defines the City's tax base as both taxable real and business personal property. TIF RZs are counted for taxable real property and Tax Abatement RZs for both real and BPP (if abated). RZs that have ended (i.e. now contributing 100% to the City of Dallas property tax revenues) are excluded from the calculation.
- State Law states that a city may not **create** a reinvestment zone if the total appraised value of real property only, including the proposed zone, exceeds 15% of the City's real property tax base.
- **Currently**, the proportion of the **City's tax base** contained in **TIF districts** is **6.9%** based on **FMPC guidelines (vs. 10% cap)** and **8.6%** for taxable real property only (**vs. 15% State cap**). Creation of the Cypress Waters TIF District does not impact the FMPC percentage, and MMD TIFs (like Cypress Waters) are exempt from the state cap.

Background (continued)

- ◆ Proposals for new TIF districts are evaluated on the following criteria:
 - **Financial Performance**
 - ◆ Taxes generated exceed taxes foregone;
 - ◆ Financial participation by other taxing entities;
 - ◆ Incentives needed to make a project feasible (review of pro formas); and
 - ◆ Minimum of \$100 million invested within 5 years of adoption
 - **Public Policy** – The proposed TIF Plan provides for:
 - ◆ Affordable housing;
 - ◆ Strong urban design;
 - ◆ Preferential hiring of neighborhood residents;
 - ◆ Enhancement of other public investments;
 - ◆ Enhancement of core assets of the City of Dallas;
 - ◆ Benefits to distressed areas;
 - ◆ Adds parks, trails or green space;
 - ◆ Fair Share Policy compliance (M/WBE business hiring)

Background (continued)

- ◆ Provisions of the proposed Cypress Waters TIF District were negotiated to follow these guidelines:
 - The district has a significant minimum project commitment (approximately \$2.7 billion in added value and \$3.0 billion in total cost).
 - The project will blend traditional multi-family and single-family neighborhoods with commercial and retail areas, following a Traditional Neighborhood Development planning system.
 - The developer will maintain extensive, publicly accessible green space on the site along the lake edge and along power line easements in addition to multiple parks, hike and bike trails, and pedestrian connections throughout the site.

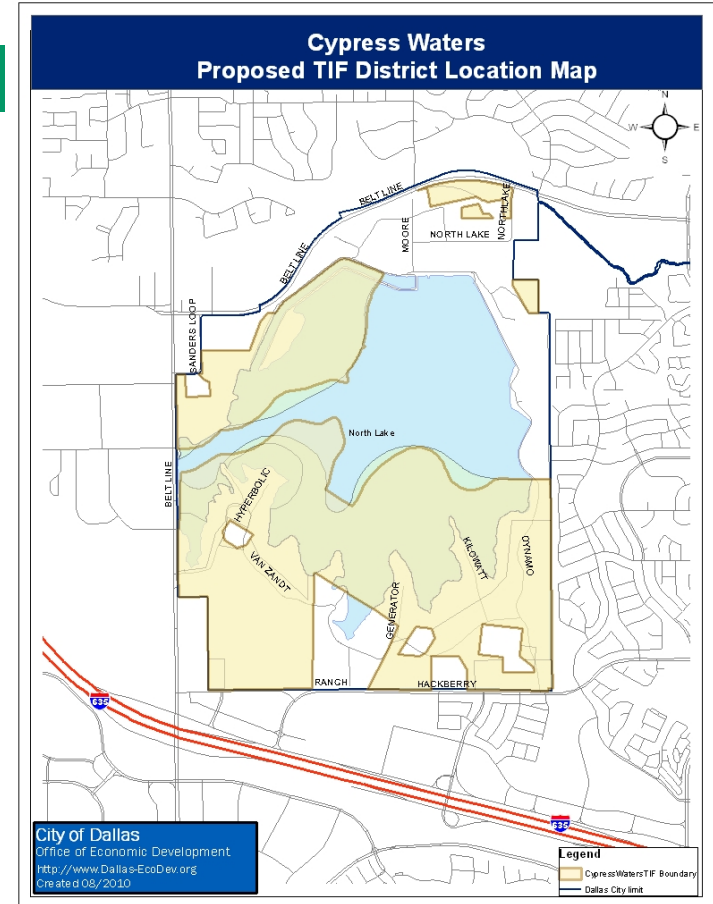


Cypress Waters TIF Proposal Overview

- ◆ The proposed Cypress Waters TIF District is located in an area north and east of the intersection of Belt Line and 635 near employment centers and along the Cotton Belt Line.
- ◆ The district contains approximately 939 acres (excluding public rights-of-way).
- ◆ The district is intended to create a funding source to encourage the initial development of a large tract of undeveloped land within the City of Dallas.
- ◆ The area is adjacent to a 362 acre lake and a former power plant.

Cypress Waters TIF Proposal Boundary Map

- ◆ The Cypress Waters TIF District is generally bounded by East Belt Line to the north, South Belt Line Road to the west, Ranch Trail Drive and Hackberry Road to the south, and the City of Irving to the east.



Cypress Waters TIF Proposal Overview – Existing Conditions



The entire Cypress Waters area is 1,661 acres of undeveloped land, including a 362 acre lake and 939 acres for the proposed TIF district.

Office of Economic Development
WWW.DALLAS-ECODEV.ORG

Cypress Waters TIF Proposal Overview – Existing Conditions



Predominantly open, undeveloped land.

Cypress Waters TIF Proposal Overview – Existing Conditions



Former power plant.



Radio equipment.

Cypress Waters TIF Proposal

Overview – Preliminary Plan Goals

- ◆ **Goal 1** – To create additional taxable value attributed to new private investment in projects in the Cypress Waters TIF District totaling approximately **\$2.7 billion over 30-year life** of the TIF district.
- ◆ **Goal 2** – To attract new private development adding approximately **10,000 new residential units, 4 million square feet of commercial space, and an estimated 150,000 square feet of pedestrian-oriented retail space**, all of which are estimated to create an estimated **9,000 on-site jobs**.
- ◆ **Goal 3** – To improve ridership on DART via the planned expansion along the Cotton Belt Line.
- ◆ **Goal 4** – To improve recreational opportunities for the community and the future residents within the TIF district via extensive, publicly accessible green space on the site along the lake edge and along power line easements in addition to multiple parks, hike and bike trails, and pedestrian connections throughout the district. Additional open space may be available through the utilization of Coppell ISD land and as part of an MMD and/or TIF-funded public amenity center, at developer's option.



Cypress Waters TIF Proposal

Overview – Preliminary Plan Goals (continued)

- ◆ **Goal 5** – To create a model for exceptional development standards in terms of its complexity, scope, design, environmental sensitivity, and connectivity.
- ◆ **Goal 6** – To develop the property in a manner where fiscal impacts for the remainder of the City are limited and a development pattern is secured that is a net benefit to the City from a fiscal, land use and community standpoint.
- ◆ **Goal 7** – To generate an NPV of **\$68** million or approximately \$157.3 million in total dollars in TIF revenues over the 30-year life of the District.



Office of Economic Development
WWW.DALLAS-ECODEV.ORG

Cypress Waters TIF Proposal

Overview – Preliminary Financial Plan

- ◆ The estimated **2010 base value** for the district is \$75,672 (land is all currently under agricultural exemption). It is anticipated to **grow to approximately \$2.7 billion** by 2040.
- ◆ City participation is expected to be 0% in the first year and then increase to 85%. It is anticipated that the district budget will be met in 23 years.
- ◆ **Dallas County** participation is anticipated at 0% for the first three years and **55%** for the next 20 years of the TIF district, starting in 2014.

Cypress Waters TIF Proposal Overview – TIF Increment Chart

PROJECTED TIF INCREMENT SCHEDULE											
Tax Year	Property Value Total	Anticipated Captured Value	Part'n Rate City	TIF Contribution City	Part'n Rate County	TIF Contribution Dallas County	TIF Contribution School	TIF Contribution DCCCD	TIF Contribution DCHD	Total TIF Contribution	TOTAL TIF 2009 NPV @ 5.00%
Base 2010	\$75,672	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0
1 2011	\$75,672	\$0	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
2 2012	\$75,672	\$0	85.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
3 2013	\$67,838,957	\$67,763,285	85.00%	\$694,849	0.00%	\$0	\$0	\$0	\$0	\$694,849	\$571,654
4 2014	\$101,250,618	\$101,174,946	85.00%	\$679,822	55.00%	\$134,159	\$0	\$0	\$0	\$813,982	\$1,209,430
5 2015	\$188,683,060	\$188,607,388	85.00%	\$1,519,772	55.00%	\$299,919	\$0	\$0	\$0	\$1,819,691	\$2,567,311
6 2016	\$219,798,187	\$219,722,515	85.00%	\$1,481,026	55.00%	\$292,273	\$0	\$0	\$0	\$1,773,298	\$3,827,561
7 2017	\$341,038,061	\$340,962,389	85.00%	\$2,574,576	55.00%	\$508,079	\$0	\$0	\$0	\$3,082,655	\$6,914,023
8 2018	\$376,135,974	\$376,060,302	85.00%	\$2,480,017	55.00%	\$489,418	\$0	\$0	\$0	\$2,969,436	\$7,828,148
9 2019	\$512,173,251	\$512,097,579	85.00%	\$3,708,532	55.00%	\$731,859	\$0	\$0	\$0	\$4,440,392	\$10,554,163
10 2020	\$551,636,146	\$551,560,474	85.00%	\$3,601,139	55.00%	\$710,666	\$0	\$0	\$0	\$4,311,805	\$13,075,187
11 2021	\$700,880,129	\$700,804,457	85.00%	\$4,943,271	55.00%	\$975,528	\$0	\$0	\$0	\$5,918,800	\$16,370,996
12 2022	\$745,079,057	\$745,003,385	85.00%	\$4,836,658	55.00%	\$954,489	\$0	\$0	\$0	\$5,791,146	\$19,442,165
13 2023	\$905,778,832	\$905,703,160	85.00%	\$6,283,539	55.00%	\$1,240,023	\$0	\$0	\$0	\$7,523,562	\$23,242,075
14 2024	\$965,070,885	\$964,995,213	85.00%	\$6,177,731	55.00%	\$1,219,143	\$0	\$0	\$0	\$7,396,874	\$26,800,097
15 2025	\$1,127,993,753	\$1,127,918,081	85.00%	\$7,719,764	55.00%	\$1,523,455	\$0	\$0	\$0	\$9,243,219	\$31,034,522
16 2026	\$1,182,759,732	\$1,182,684,060	85.00%	\$7,640,387	55.00%	\$1,507,790	\$0	\$0	\$0	\$9,148,177	\$35,025,841
17 2027	\$1,368,721,712	\$1,368,646,040	85.00%	\$9,274,600	55.00%	\$1,830,293	\$0	\$0	\$0	\$11,104,893	\$39,640,154
18 2028	\$1,429,367,626	\$1,429,291,954	85.00%	\$9,206,296	55.00%	\$1,816,814	\$0	\$0	\$0	\$11,023,110	\$44,002,373
19 2029	\$1,629,236,473	\$1,629,160,801	85.00%	\$10,975,196	55.00%	\$2,165,897	\$0	\$0	\$0	\$13,141,093	\$48,955,113
20 2030	\$1,696,195,126	\$1,696,119,454	85.00%	\$10,909,871	55.00%	\$2,153,006	\$0	\$0	\$0	\$13,062,877	\$53,643,933
21 2031	\$1,910,893,540	\$1,910,817,868	85.00%	\$12,803,391	55.00%	\$2,526,682	\$0	\$0	\$0	\$15,330,073	\$68,884,516
22 2032	\$1,984,626,220	\$1,984,550,548	85.00%	\$12,761,625	55.00%	\$2,518,439	\$0	\$0	\$0	\$15,280,064	\$63,859,267
23 2033	\$2,215,135,246	\$2,215,059,574	60.31%	\$10,484,911	55.00%	\$2,916,253	\$0	\$0	\$0	\$13,401,163	\$68,014,537
24 2034	\$2,296,133,511	\$2,296,057,839	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
25 2035	\$2,543,496,148	\$2,543,420,476	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
26 2036	\$2,581,672,771	\$2,581,597,099	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
27 2037	\$2,602,673,153	\$2,602,597,481	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
28 2038	\$2,623,988,540	\$2,623,912,868	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
29 2039	\$2,645,623,658	\$2,645,547,986	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
30 2040	\$2,667,583,303	\$2,667,507,631	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
31 2041	\$2,689,872,342	\$2,689,796,670	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
32 2042	\$2,712,495,717	\$2,712,420,045	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
33 2043	\$2,735,458,443	\$2,735,382,771	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
34 2044	\$2,758,765,610	\$2,758,689,938	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
35 2045	\$2,782,422,384	\$2,782,346,712	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
36 2046	\$2,806,434,009	\$2,806,358,337	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
37 2047	\$2,830,805,809	\$2,830,730,137	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
38 2048	\$2,855,543,186	\$2,855,467,514	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
39 2049	\$2,880,651,624	\$2,880,575,952	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
40 2050	\$2,906,136,688	\$2,906,061,016	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
41 2051	\$2,932,004,029	\$2,931,928,357	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$68,014,537
				\$130,756,974		\$26,514,185	\$0	\$0	\$0	\$157,271,159	
NPV				\$56,679,323		\$11,335,214	\$0	\$0	\$0	\$68,014,537	

Cypress Waters TIF Proposal Overview – TIF Budget

Category	Total Estimated TIF Expenditure	Estimated TIF Expenditure
	(in 2010 Dollars)*	(Actual)**
Water Transmission Improvements	\$17,949,771	\$41,505,557
Sewer Transmission Improvements	\$14,799,357	\$34,220,802
Primary Roadway Improvements	\$27,525,410	\$63,647,468
Public Safety Improvements	\$6,000,000	\$13,873,901
Administrative & Implementation	\$1,740,000	\$4,023,430
Total Project Costs	\$68,014,537	\$157,271,159

* All values discounted to 2010 dollars at 5% annually. Actual expenditure value will depend on timing of project cost.

** All values are estimated based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate. An interest rate of 5% is used throughout the TIF term.

Note: in addition, DWU may agree to fund up to 30% of TIF-eligible water and sewer improvements.

Cypress Waters TIF Proposal Overview – Projected Development Schedule

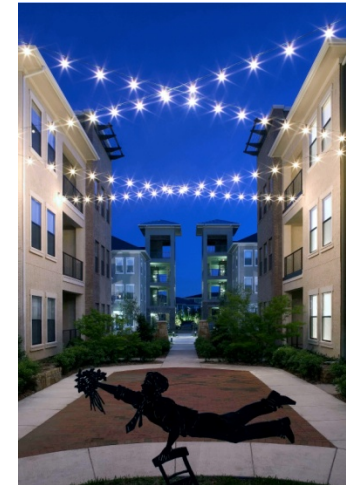
Year	Taxable	Multi-Family		Single Family		Office	Retail	Annual Undeveloped		Total Appraisal for Assessment Schedule 8
	Appraised Value for	Schedule 1 & 2	Schedule 1 & 2	Schedule 1 & 2	Schedule 1 & 2	Schedule 2	Schedule 3	Schedule 3	Schedule 3	
	Jan. 1,	Units	SF	Units	SF	Square Ft.	SF	Acres	SF	
Base	2010	0	0	0	0	0	0	0	0	\$75,672
1	2011	0	0	0	0	0	0	0	0	\$75,672
2	2012	667	581,481	0	0	100,000	0	0	0	\$75,672
3	2013	0	0	0	0	100,000	0	44	1,913,786	\$67,838,957
4	2014	667	581,481	0	0	200,000	0	7	294,030	\$101,250,618
5	2015	0	0	0	0	180,000	7,500	51	2,207,816	\$188,683,060
6	2016	667	581,481	50	154,300	180,000	7,500	13	572,814	\$219,798,187
7	2017	0	0	0	0	180,000	7,500	60	2,631,757	\$341,038,061
8	2018	750	652,954	50	141,700	180,000	7,500	13	572,814	\$376,135,974
9	2019	0	0	0	0	180,000	7,500	64	2,794,986	\$512,173,251
10	2020	750	652,954	50	154,300	180,000	7,500	13	572,814	\$551,636,146
11	2021	0	0	0	0	180,000	7,500	65	2,830,850	\$700,880,129
12	2022	750	652,954	50	154,300	180,000	7,500	13	572,814	\$745,079,057
13	2023	0	0	0	0	180,000	7,500	65	2,830,850	\$905,778,832
14	2024	750	652,954	50	154,300	180,000	7,500	13	572,814	\$955,070,885
15	2025	0	0	0	0	180,000	7,500	65	2,830,850	\$1,127,993,753
16	2026	750	652,954	50	154,300	180,000	7,500	13	572,814	\$1,182,759,732
17	2027	0	0	0	0	180,000	7,500	65	2,830,850	\$1,368,721,712
18	2028	750	652,954	50	154,300	180,000	7,500	13	572,814	\$1,429,367,626
19	2029	0	0	0	0	180,000	7,500	65	2,830,850	\$1,629,236,473
20	2030	750	652,954	50	154,300	180,000	7,500	13	572,814	\$1,696,195,126
21	2031	0	0	0	0	180,000	7,500	65	2,830,850	\$1,910,893,540
22	2032	750	652,954	50	154,300	180,000	7,500	13	572,814	\$1,984,626,220
23	2033	0	0	0	0	180,000	7,500	65	2,830,850	\$2,215,135,246
24	2034	750	652,954	50	154,300	180,000	7,500	13	572,814	\$2,296,133,511
25	2035	0	0	0	0	0	0	65	2,830,850	\$2,543,496,148
26	2036	749	651,330	0	0	0	0	0	0	\$2,581,672,771
27	2037	0	0	0	0	0	0	42	1,814,326	\$2,602,673,153
28	2038	0	0	0	0	0	0	0	0	\$2,623,988,540
29	2039	0	0	0	0	0	0	0	0	\$2,645,623,658
30	2040	0	0	0	0	0	0	0	0	\$2,667,583,303
Total for years 1-30		9,500	8,272,359	500	1,530,400	4,000,000	150,000	919	40,031,640	

Cypress Waters TIF Proposal Development Plan

- ◆ 10,000 new residential units
- ◆ 4,000,000 square feet of commercial space
- ◆ 150,000 square feet of pedestrian-oriented retail space
- ◆ 939 acres
- ◆ Traditional Neighborhood Development (TND)
- ◆ Proposed transit station on northwest side of development
- ◆ Anticipated additional taxable value is \$2.7 billion



Cypress Waters TIF Proposal Development Plan



Cypress Waters MMD

- ◆ On February 9, 2009, Council supported and consented to the State's creation of the Cypress Waters Municipal Management District.
- ◆ On June 19, 2009, the Cypress Waters MMD was created by the State of Texas.
- ◆ MMDs are self-governed, political subdivisions of the State of Texas. With the approval of a majority of the eligible voters in the district, they have the power to levy taxes and assessments to property owners in the district. In addition, MMDs can supply additional services that are supplemental or complementary to regular municipal services.
- ◆ The MMD provides another financing tool, in addition to the proposed TIF district, to enhance redevelopment in the Cypress Waters area.

Conclusion & Next Steps

- ◆ Creation of the Cypress Waters TIF District is recommended. The proposed TIF district:
 - Promotes denser, pedestrian-oriented residential development close to employment centers and a planned rail station.
 - Promotes rail station area redevelopment.
 - Enables a large tract of land that otherwise would not be built out as quickly to generate more than \$20 million in additional tax revenue.
- ◆ Public hearing and Council consideration on December 8, 2010

Appendix

- ◆ TIF Ranking Sheet for Cypress Waters TIF District
- ◆ Financial and Policy Evaluation
- ◆ Cypress Waters TIF Proposal Financial Summary

Cypress Waters TIF Proposal Financial and Policy Ranking

Criteria	Points (Max)	Points Scored
Financial		
Total new taxes generated by the district from all revenue sources exceed amount of taxes foregone. Direct monetary benefits to all taxing jurisdictions exceeds public funds invested during term of TIF district. Cash benefits to the City exceeds City expenditures. Full points if within the term of the TIF; 10 fewer points for each 3 years without City payback	50	50
Other taxing units participation	15	5
Comprehensive review of project pro forma, including rental rates, land costs, site analysis, construction costs, other sources of funds and grants, operating expenses, and rate of return for the developer	20	20
A minimum of \$100 million in new private investment will occur within 5 years of adoption of TIF district	15	15
Subtotal	100	90
Policy		
Provides affordable housing; 10 points max. (5 points for each 10% affordable units). A minimum of 10% affordable housing is required for each TIF district	10	10
Plan provides urban design guidelines and/or historic preservation guidelines, if applicable	10	10
Provides preferential hiring for neighborhood residents for new jobs created	5	5
Enhances public investments over \$10 million made within last 5 years or expected within the next 5 years (i.e. DART Light Rail System, Trinity River, bond improvements)	20	20
Enhances core assets of City	25	10
Provides direct benefits to distressed areas	20	15
Adds park or green space or to City/County Trail system and provides for ongoing maintenance of these amenities	5	5
Complies with Fair Share Guidelines for private investment.	5	5
Subtotal	100	80
Grant Total : Financial & Policy	200	170

- The table shows the ranking of the proposed TIF on the City's criteria.
- The TIF proposal scored 170 out of 200 possible points. This exceeds the 140 points needed for staff's recommendation.

Cypress Waters TIF Proposal

Financial Evaluation

- ◆ Revenues for this TIF district are estimated to be collected in 23 years.
- ◆ As a result of the City's participation being 85% during the life of the TIF, there will be continuous revenue flow to the general fund.
- ◆ The City is expected to break even (direct monetary benefits exceeding public funds invested) within the life of the TIF.
- ◆ It is estimated the City's general fund will receive approximately \$215 million (total dollars) in added revenue from real property, BPP, and sales tax during the life of the TIF district.
- ◆ Financial benefits to all taxing jurisdictions from anticipated increased in real property, business personal property and sales taxes is an estimated net \$1.1 billion
- ◆ A minimum of \$100 million in new investment will occur within the first 5 years.
- ◆ The TIF proposal scored a total of 90 out of 100 possible criteria points.



Cypress Waters TIF Proposal Policy Evaluation

- ◆ TIF projects will provide 20% affordable housing
- ◆ Urban design guidelines will be developed through the TIF board of directors
- ◆ Preferential hiring of neighborhood residents for new jobs created is incorporated in the TIF plan
- ◆ The TIF will enhance the planned Cotton Belt Line
- ◆ The TIF provides direct benefits to distressed areas
- ◆ Fair Share Guidelines for private investment is incorporated in the TIF plan
- ◆ Plan provides for multiple parks and trails
- ◆ The TIF proposal scored a total of 80 out of 100 possible criteria points