

City of Dallas

TIF District Frequently Asked Questions

Question: *What is a TIF district and how can it assist me in completing my proposed project?*

Answer: A TIF (or Tax Increment Financing) district is a special purpose district. TIF funds are used to change the real estate market within a definable neighborhood by attracting business and residential development. A portion of the additional property tax from this new development is invested back into the neighborhood.

Question: *I would like to do a project. What is the first thing I need to do to receive TIF financing?*

Answer: Check to see if your property is located in one of the TIF districts within the City of Dallas. In order to be considered for TIF financing, your project must be located in one of the City's TIF districts.

Question: *My project is located in one of the TIF districts. Now what do I do?*

Answer: Contact the manager of the Area Redevelopment Division of the Office of Economic Development at (214) 670-1690 to discuss your project and learn what information is needed by City staff to complete a preliminary review of your project. During this conversation, a preliminary concept meeting may be set.

Question: *What type of information do I need to bring to the concept meeting?*

Answer: A description of the project including total project costs and likely appraised valuation upon completion, start date, completion date, number of units (if it is a residential project), amount of commercial space by type of use, a breakdown of total project cost, a listing of expenditures for TIF consideration, and a site plan and/or conceptual renderings.

Question: *Which types of expenditures are covered under TIF financing?*

Answer: The below listing is a sample of eligible project costs under the program as administered in Dallas:

- Public improvements such as the construction of new streets, alleyways, sidewalks, street lighting, pedestrian lighting, water main lines, waste water main lines, and storm water improvements.
- Utility relocation, utility burial.
- The demolition of existing buildings, structures, and fixtures.
- The restoration of historic building facades.
- The acquisition, clearing, and grading of land for public improvements.
- Fees paid for architectural, planning, and engineering work related to eligible TIF funded public improvements.
- Costs of environmental impact studies or other required studies and environmental remediation of a property.
- Additional costs incurred for high density projects.

In addition, TIF district funds are used for a variety of administrative costs:

- Contributions made by City of Dallas for implementation of the project plan.
- Cost of publicizing the creation of the zone and implementation of the project plan.
- Payments made to the City of Dallas for the creation of the zone or for the implementation of the project plan for the zone.
- Cost of time spent by the City of Dallas staff in connection with the implementation of a project plan.
- Operational expenses for the reinvestment zone and project facilities.

TIF District Frequently Asked Questions- Page 2

Question: *Can TIF funds be used to pay for interior work?*

Answer: No, the TIF program is primarily for public improvements such as sidewalks, pedestrian lighting, utility construction, utility burial, etc. In addition, Texas TIF law also provides funding for environmental remediation, demolition and restoration of historic building facades.

Question: *Will the City pay for eligible project costs in advance?*

Answer: No, all payments are made on a reimbursement basis when and if TIF funds are available from added property value in the TIF district. Since TIF funds depend on increases in property value, a developer is always taking a risk that TIF funding for a project will not be available. TIF obligations are NOT backed by the full faith and credit of the City.

Question: *Can TIF funds pay for the entire cost of the project?*

Answer: Typically, TIF funds will only pay for a percentage of total project cost. TIF funds are allocated based on the total amount of new property taxes generated by a project. The maximum TIF contribution to a project is usually less than 10% of total project cost.

Question: *How much TIF funding is available?*

Answer: The amount and availability differs from TIF district to TIF district.