

**TARRANT COUNTY
TAX INCREMENT FINANCING POLICY
GUIDELINES FOR PARTICIPATION**

I. General Purpose and Objectives

As authorized under Chapter 311 of the Texas Tax Code, Tarrant County has established these guidelines so as to work in concert with other local taxing entities in order to provide for public infrastructure improvements that encourage development and/or redevelopment of specified areas within the County through the use of tax increment financing.

II. Guidelines for Participation

The Tarrant County Commissioners Court will consider participation in a tax increment financing district on a case-by-case basis. However, it is the intent of the Commissioners Court that the following guidelines will be used when determining participation in a tax increment financing project:

- a) TIF funding should be necessary as an incentive for private redevelopment of an area or to attract new commercial development of a largely undeveloped area.
- b) The TIF District boundaries should be limited to the area where public improvements will be made to encourage development/redevelopment. TIF Districts should not include land areas that are already under development in order to use their increased value to help pay for projects in the improvement area.
- c) Should a TIF District encompass property in more than one Commissioner precinct, the County shall have a representative from each precinct on the TIF Board.
- d) County participation in funding of TIF projects should be limited to those items that create a benefit to citizens throughout the County – not just limited to citizens within a specific jurisdiction. This may include infrastructure projects such as road and intersection improvements; public parking for area and regional facilities; water/sewer/drainage improvements; streetscape, lighting and pedestrian access ways; open space and trails linkages; public structures/buildings for countywide citizen use.
- e) County TIF funds should not be used to pay for public projects that are normally provided by a municipality as part of regular city services and infrastructure, or projects that create direct competition between municipalities within the County.
- f) County TIF participation in public buildings should include the receipt of pro-rata ownership rights to that building and property.
- g) All County increment paid into the TIF fund should be used solely to pay for direct public project costs and/or interest on obligations to finance projects,

and should not be used to pay any overhead, administrative or management costs of the TIF district.

- h) In negotiating participation levels, the County should evaluate whether a municipality is willing to contribute additional incremental revenues generated from properties within the TIF district (i.e. sales tax, franchise fees, hotel/motel tax) to the TIF fund. The additional revenues may be net of added expenses to the city due to increased services to the district.
- i) TIF funding participation by the County and Hospital District should not total more than the municipality's participation.
- j) The municipality should be required to maintain its TIF contribution at the same tax rate as it had when the TIF was initiated. Should the city tax rate be reduced at any time during the life of the TIF, the City shall contribute additional funds from other sources in order to make its annual deposit equal to the tax increment produced at the city tax rate for the year in which the TIF was initiated.

A proposed tax increment financing project will be considered by the Commissioners Court if it substantially meets the guidelines as set forth herein. However, meeting of these provisions only qualifies the project for consideration; it does not place the Commissioners Court under any obligation to participate in the tax increment financing project.