

# **PUBLIC/PRIVATE AGREEMENT INCENTIVE PROGRAM**

## **A. OVERVIEW**

The City of Carrollton is dedicated to achieving the highest quality of development, infrastructure, and quality of life for its citizens. These objectives are met in part by the enhancement and expansion of the City's economy. Due to the competitive nature of economic development at the local, state, and national levels, additional inducements often become necessary in order to attract businesses and capital investment to the community. The Public / Private Agreement Incentive Program (P/PP) assists for-profit companies and developers to offset project or operational costs through a number of economic development incentives.

As each project is unique, proposals are considered on a case-by-case basis. P/PP incentives may be used, in combination with other sources of federal, state, or City funds where necessary, to achieve the public purpose advanced by a project. The master plans for the three rail stations (Downtown, Trinity Mills, and Frankford Road), the Freeway district and the TIRZ #1 district are intended to achieve an integrated vision for the transit-oriented community. The City of Carrollton's primary goal is to set the framework for quality, sustainable development that integrates multi-modal, multi-agency transit service with a new center and gateway to the City. The ultimate success of any project is measured by the ability to meet these goals and individual objectives of a diverse set of stakeholders while also validating the financial feasibility of any project.

## **B. ELIGIBILITY REQUIREMENTS**

### **1. Need-Based Eligibility**

In public/private partnerships of this nature, identifying development packages that maximize the potential of creating catalyst economic development is critical. The City may participate in an incentive package that may include, but not limited to, land assembly and acquisition, tax rebate and abatement, infrastructure cost assistance, development fee waivers, use or transfer of right-of-way or transfer, sale, or exchange of City-owned land.

The P/PP is intended to provide City support for development projects that have financial gaps, or for projects that otherwise represent a competitive situation for the City against other locations. Companies pursuing incentives under the P/PP must provide written assurance that without the incentives sought, the proposed project would not occur, or would otherwise be substantially altered such that the economic returns or other associated public benefits secured by the City's participation would be reduced. Additionally, it is the purpose of this program to provide assistance only for projects where such assistance is necessary to stimulate private investment to add further value to the project above current zoning requirements. Accordingly, the program is available when agreements between the City and private parties are approved by City Council prior to the commencement of private investment.

## **2. Geographic Eligibility**

A project must be physically located within one of Carrollton's Transit-Oriented Zoning Districts (Downtown, Trinity Mills, or Frankford), the Freeway District, or the boundaries of the TIRZ #1 (as more particularly depicted in Exhibit "A") to be eligible. Projects located in a strategic and target area as recommended by the City Council may be eligible for special consideration (see "Investment Eligibility").

## **3. Investment Eligibility**

The City has established targeted project and locations, which must set minimum project requirements in order to be considered for incentives:

- Projects must provide \$5 million of investment; and
- Projects that are corporate office headquarters or other mixed-used development; or
- Projects must create/retain a minimum of 20 jobs and \$1 million of taxable ad valorem and/or sales tax.
- Other projects not meeting these requirements that nevertheless significantly advance the public purpose of economic development will be considered on a case-by-case basis.

## **C. CATEGORIES OF PARTICIPATION**

1. **TAX REBATE** – The City may approve a temporary rebate of either real or personal property taxes within one of Carrollton's Transit-Oriented Zoning Districts (Downtown, Trinity Mills, or Frankford), the Freeway District, or the boundaries of the TIRZ #1 district.
2. **INFRASTRUCTURE COST PARTICIPATION** – The City may participate in infrastructure costs as a portion or the entire amount of the required City infrastructure that is within the right-of-way or easements dedicated to the City. For those projects where certain City escrow or impact fees will be required, a waiver of such fees may be considered. In addition, third party utility improvements may be rebated to facilitate aesthetic requirements of the Transit Center District. Participation is considered on a case-by-case basis.
3. **DEVELOPMENT FEE WAIVERS** – The City may waive a portion or the entire amount of all development fees charged in the regulation of land development. For those projects where certain escrow or impact fees are required, a waiver of such fees may be considered. Participation is considered on a case-by-case basis with limits. Fee waivers are only granted at the time of building permit issuance. Rebates are payable only after a Certificate of Occupancy is issued.
4. **CITY-OWNED PUBLIC RIGHT-OF-WAY** - The City may transfer ownership of real property at or below market rate (or City's purchase price, whichever is less) as authorized in Section 311.008(b)(2) and (c) of the Texas Tax Code. The City may abandon public right-of-way for the purposes of development or redevelopment, subject to a determination

of public necessity. Participation is considered on a case-by-case basis. Transfer of real property will occur upon issuance of building permit for a fully financed project.

5. CITY-OWNED REAL PROPERTY - The City may transfer ownership of real property at or below market rate (or City's purchase price, whichever is less) and may consider a land transfer, sale or exchange for the purposes of development or redevelopment, as authorized in Section 311.008(b)(2) and (c) of the Texas Tax Code.

#### **D. PUBLIC PRIVATE PARTNERSHIP INCENTIVE CONSIDERATION PROCEDURE**

1. The incentives provided under this Policy are in the form of a performance-based incentive which may include invoice-reimbursement, fee waivers, grants and land exchange utilizing Chapter 380 of the Texas Local Government Code. The City Council will review each incentive request on a case-by-case basis and determine the incentive.
2. All applications for a grant under this Policy will be submitted to the City Council TOD Subcommittee for consideration prior to City Council approval.
3. The Policy will be evaluated as needed to ensure it is meeting the objectives set forth herein. Modifications to the administration of the Policy may be made by staff if necessary; provided, however, that all incentives may only be approved by City Council. The application should include a detailed description of the project, including renderings or drawings of the proposed project, and a project budget including sources of funds and a project timetable.
4. If the grant application is approved by Council, the property owner shall enter into a contract with the City establishing the terms and conditions of the project, including the provisions of Chapter 380 of the Texas Local Government Code, as amended, and the timeline for completion. The contract will provide for conditions as established by the City Council. The contract will further articulate the required aesthetic elements of the project.
5. The proposed development shall comply with all City Codes and Ordinances.
6. No incentives will be granted until a successful binding incentive agreement is entered into between the City and the owner/developer. Upon completion of the project, the property owner shall submit documentation of completion to the City and request requesting reimbursement, where applicable, in accordance with the terms of the contract and this Policy. City staff shall have the right to inspect the project for compliance upon submission of any requested documents.

**Exhibit A**  
**Public/Private Partnership Incentive Program Boundary**

(Includes Frankford Transit Center, Trinity Mills Transit Center, Downtown Transit Center, Freeway, and TIRZ Districts)

