



FARMERS BRANCH
TEXAS

Discussion and Update On Tax Increment Financing

TIF Board Meeting | August 5, 2025

Economic Development



Increment Financing Programs

Background

1

Tax Increment Financing (TIF) is a financing tool that captures increased property tax revenue (the increment) generated from future development within a designated area (TIRZ) to pay for public improvements within the same area.

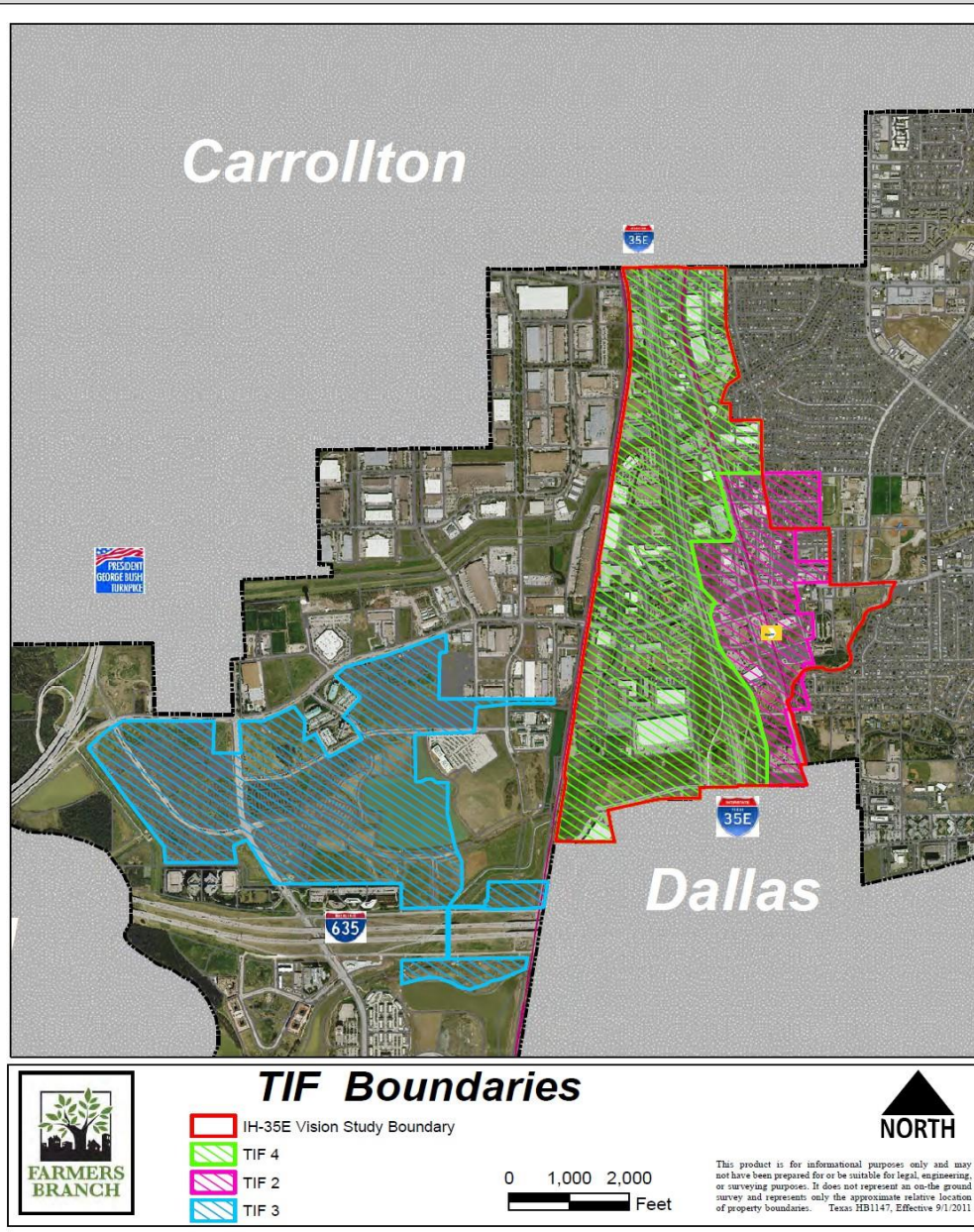
2

Tax Increment Reinvestment Zone (TIRZ) is the specific geographical area where the TIF mechanism is applied to concentrate development efforts and public investment to achieve specific goals like revitalization or economic growth.

TIF Map

TIF Boundaries

The current map represents both TIF/TIRZ areas minus TIF #1, which is currently inactive.



Tax Increment Finance District No. 1 & 2

Tax Increment Finance District No. 1 is used to account for infrastructure construction in the Mercer Crossing tax increment financing (TIF) district. Funded by developers' contributions and incremental property tax programs. [Note: Fund is now closed.]

Tax Increment Finance District No. 2 is used to account for infrastructure construction in the Old Farmers Branch tax increment financing (TIF) district. Funded by developers' contributions, advances, and incremental property tax payments. Participation in the TIF District expired on December 31, 2020; however, on November 17, 2020, the City extended its participation until December 31, 2031, at a participation rate of 25% commencing January 1, 2021.

Tax Increment Finance District No. 3 & 4

Tax Increment Finance District No. 3
(Located in the Special Revenue Funds). Through
FY 2052 the City will contribute 40% of the
incremental tax revenue generated by the City's
ad valorem tax associated with the growth of the
tax base in TIRZ No.3 to a Special Revenue Fund to
reduce the public improvement district
assessments associated with the zone.

Tax Increment Finance District No. 4
Fund Established in April 2022 to revitalize the
Valwood Park residential neighborhood and
covers approximately 778 acres of land
generally located along the area that
corresponds approximately to the IH-35E
Corridor Vision Study, plus the Valwood Park
residential area east of IH-35E and west of
Dennis Lane. The City is currently the only
participating entity in TIF No. 4 at a participation
rate of 100%. Termination of the TIF shall occur
on December 31, 2046, or at an earlier time
designated by subsequent ordinance of the City
Council, or at such time, subsequent to the
issuance of any tax increment bonds, if any, that
all project costs, tax increment bonds, notes or
other obligations of the zone, and the interest
thereon, has been paid in full.

Questions



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