



Public Facility Corporation Update

Study Session Meeting | January 20, 2026

Requested By: Mayor Pro Tem Bennett-Burton



What is Being Decided (and What is Not)

Council is being asked to decide whether to :

- Establish a City-controlled Public Facility Corporation as a policy tool

This decision does Not:

- Approve any development
- Grant tax exemptions
- Commit the City to housing or redevelopment projects

What a PFC Is

Public Facility Corporation (PFC) Purpose: is a nonprofit public entity created by the City under Texas law, to help finance, develop, or own facilities serving a public-purpose.

Most commonly used for:

- Workforce /attainable housing
- Mixed-used development

A PFC is City-controlled through::

- Board appointments
- City-adopted policies
- Project-by-project Council Approval

Why Cities Use PFCs (and Why Caution is Required)

Why Cities Consider PFC's:

- Access to tax exempt financing
- Ability to require long-term benefits
- Flexibility for complex public-private projects
- To encourage projects that might normally take longer to materialize

Why caution matters:

- Potential property tax exemptions
- Long-term compliance obligations
- Reputational risk if poorly governed

Bottom line :

The value of a PFC depends entirely on Council policy

Discussion

Create the PFC:

- Staff will work to create the articles of incorporation for Council adoption
- Preserves the Council's authority over future projects

Don't create the PFC

- City continues using existing development tools
- No change to current processes
- Could impact the timing of potential projects



Questions



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