

Memorandum



CITY OF DALLAS

DATE August 16, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Fort Worth International Airport Tax Sharing Agreements**

Attached to this memo is a response to questions asked by council members during the August 7, 2019 Council Briefing. The attachment provides information on the Dallas Fort Worth International Airport's various tax sharing agreements and the Rental Car Center tax revenue split.

If you require additional information, please contact Brett Wilkinson, Managing Director of the Office of Strategic Partnerships and Government Affairs, at 214-670-5797 or brett.wilkinson@dallascityhall.com.

A handwritten signature in black ink, appearing to read 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert
Chief of Staff

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| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Chris Caso, City Attorney (Interim) | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Mark Swann, City Auditor | Michael Mendoza, Chief of Economic Development and Neighborhood Services |
| Biliera Johnson, City Secretary | M. Elizabeth Reich, Chief Financial Officer |
| Preston Robinson, Administrative Judge | Laila Aleqresh, Chief Innovation Officer |
| Majed A. Al-Ghafry, Assistant City Manager | Liz Cedillo-Pereira, Chief of Equity and Inclusion |
| Jon Fortune, Assistant City Manager | Directors and Assistant Directors |

August 9, 2019

To the Honorable Mayor and Members of the Dallas City Council:

During the briefing of DFW Airport's FY2020 Budget, Councilmember Chad West requested information about the Rental Car Center tax revenue split. Council members also asked when tax-sharing arrangements would be renewed and how they were agreed upon. The answers to these questions are below:

Tax Sharing Agreements: DFW Airport does not have taxing authority. All tax generated at the Airport must be collected by the Airport's host cities of Coppell, Euless, Grapevine and Irving. The Cities of Dallas and Fort Worth enter into various tax-sharing agreements with the host cities. Three of the four agreements are interlocal agreements. There is no end date contained in these agreements. The fourth agreement was legislatively imposed. The below chart details the agreements:

Host City	Effective Date	Terms
Coppell	2012	<ul style="list-style-type: none"> All taxes, including Hotel Occupancy Taxes, are shared. (Coppell 1/3, Remaining 2/3: Dallas 7/11, Fort Worth 4/11)
Euless	1998 2010*	<ul style="list-style-type: none"> Tax revenues above \$778,133 are shared. (Euless 1/3, Remaining 2/3: Dallas 7/11, Fort Worth 4/11) Rental Car Center taxes are shared equally amongst all cities (see below for an explanation). *Interlocal Agreement was amended in 2010 to include Hotel Occupancy Tax.
Grapevine	2001	<ul style="list-style-type: none"> Senate Bill 569 Imposed tax-sharing on property of DFW south of Highway 114. Tax revenues above the year 2000 threshold (\$5,956,313) are shared. (Grapevine 1/3, Remaining 2/3: Dallas 7/11, Fort Worth 4/11) Hotel Occupancy Taxes are not shared.
Irving	1998	<ul style="list-style-type: none"> Tax revenues above \$618,855 are shared. (Irving 1/3, Remaining 2/3: Dallas 7/11, Fort Worth 4/11) Hotel Occupancy Taxes are not included in agreement as there are no Irving hotels on Airport property.

Rental Car Center: During negotiations to build the Rental Car Center, Dallas and Fort Worth agreed to the issuance of the bonds for the center if the tax revenues would be shared equally. The Cities of Dallas, Fort Worth, and Euless entered into an Interlocal Agreement to share the taxes from the center equally.

Should you have any further questions, please contact me at 972-973-5210.

Regards,



Chris Poinette
Chief Financial Officer
Dallas Fort Worth International Airport

C: William Meadows, Chair, Dallas Fort Worth International Airport Board
Sean Donohue, Chief Executive Officer, Dallas Fort Worth International Airport
T.C. Broadnax, City Manager, City of Dallas