

Vickery Meadow TIF District FY 2022-2023 Annual Report



(Source: Northwood Retail, LLC)



City of Dallas

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October 1, 2022 to September 30, 2023

Reinvestment Zone Number Nine Vickery Meadow Tax Increment Financing District



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Mission Statement

The Vickery Meadow Tax Increment Financing (TIF) District (“TIF District”) represents the outgrowth of the City of Dallas’ effort to provide a model for redeveloping urban corridors to take full advantage of the expanding DART light rail system, to promote transit-oriented development and to implement appropriate urban design standards. The mission of the Vickery Meadow TIF District is to provide a source of funding to enhance private investment in the real estate market for the Vickery Meadow TIF District area.

City Council established the Vickery Meadow TIF District by Ordinance Number 25964 on April 27, 2005. The Vickery Meadow TIF District took effect on January 1, 2006 and will terminate on December 31, 2027 (including collection of the 2027 increment in calendar year 2028 and any related matters to be concluded in 2028) or when the budget of \$32.2 million (2006 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City’s participation is 80%, and the County’s participation is 55%.

District Accomplishments

The TIF District was established to facilitate the creation of a catalyst mixed-use development on North Central Expressway and Park Lane (The Shops at Park Lane) and to, ultimately, stimulate redevelopment activities within the TIF District’s remaining areas, including the area generally known as “Five Points” (located generally around the intersection of Park Lane, Ridgcrest Road and Fair Oaks Avenue).



(Source: Northwood Retail, LLC)

The first phase of Half Price Books, Records, Magazines, Inc.’s multi-phase plan to redevelop the former Parker Plaza site was completed in 2015. It included the demolition of two dilapidated structures and the conversion of a vacant warehouse into a REI sporting

goods store that contains 34,296 square feet of retail space. During FY 2018- 2019, Half Price Books broke ground on construction of a second phase of development, BookMark Center, just north of REI. The project encompasses a 5,000 square foot restaurant and a four-level retail and office building, currently offering over 27,000 square feet of leasable space.



The REI sporting goods store that was built as part of Half Price Books’ multi-phase plan to redevelop the former Parker Plaza site



Construction of BookMark Center retail and office space as part of Half Price Books’ multi-phased development is complete and available for lease.

In Fall 2018, Costco announced plans to renovate the vacant Sam’s Club building at 8282 Park Lane. Approximately \$10,000,000 was invested in the renovation. The 133,000 square feet building was the first North Texas site for Costco’s Business Center, focused on small businesses and business-to-business sales. However, it is open to anyone with a Costco Membership. The store opened in September 2019.



The Vickery Meadow Branch Library located at 8333 Park Lane

As part of the November 2017 voter-approved general bond election, the City committed to the construction of a new library in the Vickery Meadow area. During FY 2018-2019, construction started on the library. The approximately \$8 million library includes a youth center funded by a \$752,000 grant from Crystal Charity Ball.

The 18,000-square-foot Vickery Park Branch Library was completed and opened on February 2, 2021 for curbside service. Vickery Park Branch Library provides program offerings that will assist job seekers and English language learners, early literacy workshops for parents and toddlers, and STEM programs for children and teens.

On March 25, 2020, City Council authorized a construction services contract for \$1,362,777 with J.C. Commercial for the renovation of the old Fire Station in the Vickery Meadow area as a permanent home for the Northeast Community Court. The Vickery Meadow Community Court #15, completed in January 2021, is located at 6742 Greenville Ave, Dallas, TX 75231.

On December 9, 2020, City Council authorized an agreement with Vickery Midtown Management Corporation (VMMC) for the construction and maintenance of the SoPac Trail Lighting Project and acceptance of \$122,254, which is approximately 25 percent of the anticipated cost of the trail lighting project. The SoPac Trail was constructed by Dallas County in collaboration with the City and completed in July 2018. At the time of construction, funding was not available for lighting the trail; however, in anticipation of future lighting, light pedestals and conduit was constructed. By November 2021, 170 lights were installed along the trail.

| Vickery Meadow TIF District Projects¹ | | | | | | |
|---|---|-------------------------------|------------------|--|---|---|
| Projects and Potential Projects Within TIF District Utilizing TIF District Funding | | | | | | |
| Project | Location | Calendar Year Complete | Status | Units/ SF | Approx. Value² | TIF District Investment |
| The Shops at Park Lane Phase I | 8010 Park Lane | 2009 | Phase I Complete | 585 apartment units; 666,524 square feet of retail space; 383,640 square feet of office space; and parking | \$369,750,000 | \$20,000,000 (principal); \$13,000,000 (interest) |
| Sub-Total | 585 apartment units; 666,524 square feet of retail space; 383,640 square feet of office space; and parking | | | | \$369,750,000 | \$33,000,000 |
| Projects Within TIF District That Are Not Utilizing TIF District Funding | | | | | | |
| Project | Location | Calendar Year Complete | Status | Units/ SF | Approx. Value² | TIF District Investment |
| Half Price Books Mixed-use Project Phase I | 5929 and 5905 East Northwest Highway | 2015 | Phase I Complete | Approximately 34,296 square feet of retail space, and Starbucks location | REI: \$11,384,910 and Starbucks: \$1,111,300 Total: \$12,496,210 | \$0 |
| Costco Business Center | 8282 Park Lane | 2019 | Complete | 135,780 square feet of retail | \$14,200,000 | \$0 |

| Projects Within TIF District That Are Not Utilizing TIF District Funding (Cont.) | | | | | | |
|--|--|------------------------|--------------------|--|----------------------------|-------------------------|
| Project | Location | Calendar Year Complete | Status | Units/ SF | Approx. Value ² | TIF District Investment |
| Half Price Books Mixed-use Project Phase II | 6730 Shady Brook Lane | 2023 (Estimated) | Under Construction | 5,000 square foot retail plus 27,000 square foot mixed-use (approx. 6,750 retail and 20,250 sf office) | \$10,725,000 | \$0 |
| Sub-Total | Completed and Under Construction: 181,826 sf retail, 20,250 sf office | | | | \$37,421,210 | \$0 |
| Total Projects Within TIF District Utilizing and Not Utilizing TIF District Funding | | | | | | |
| Total | Complete: 383,640 square feet office space, 836,600 square feet retail space, 585 residential units Under Construction: 20,250 square feet office space and 11,750 square feet retail | | | | \$407,171,210 | \$33,000,000 |
| ¹ All information updated as of September 30, 2023. ² Based upon 1) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF District for redevelopment projects once pre-existing value and/or the demolition of structures is netted out. | | | | | | |

| TIF District Initiatives | | | | |
|---|--|--|---|---|
| Activity | Scope | Status | Investment | Source |
| Vickery Meadow Improvement District (VMID) – TREC 2006 Community Grant | The Real Estate Council (TREC) of Dallas awarded a grant to be used to create a Planned Urban Design (Neighborhood Plan) for the Vickery Meadow Community | Organizational stages. James Harwick + Partners, Inc. architectural design firm was hired to complete the plan. The plan was completed in 2009 and was adopted by the VMID Executive Board January 15, 2010. | \$78,000 total Includes: \$50,000 \$28,000 | TREC of Dallas VMID funds |
| The Real Estate Council Foundation, McCormack, Baron Salazar (MBS) – Economic Development Action Plans | The Real Estate Council Foundation and private donations provided financial support to engage McCormack Baron Salazar to develop action plans for economic development in three City Council designated areas: 1. Lancaster Corridor 2. South Dallas/Fair Park 3. Five Points in Vickery Meadow | The Development Action Plans by MBS were released in January 2011. | \$750,000 min Includes: \$275,000 \$275,000 \$200,000 | The Real Estate Council Foundation of Dallas MBS Investment Private Donations |

| TIF District Initiatives (Cont.) | | | | |
|--|---|--|--|---|
| Activity | Scope | Status | Investment | Source |
| HUD Community Challenge Grant for Transit Oriented Development and Affordable Housing | Community Challenge Planning Grant from HUD used for planning and preconstruction activities related to affordable housing and transit-oriented development for 7 DART stations. Completed 5 area plans, including the Vickery Meadow area plan. Also funded preconstruction and design work for a mixed-use development anchored by a new VM branch library. | <p>City Council authorized a professional services contract with Fregonese Associates, Inc. for the related planning activities on December 14, 2011.</p> <p>City Council authorized a professional services contract with DMA Development Company, LLC for the related activities on September 25, 2013</p> | <p>Total federal grant Amount: \$2,225,000/ \$2,670,000 overall</p> <p>Approximately \$950,000 spent in for the Vickery Meadow TIF District including \$445,000 as the local match</p> | <p>\$505,000 HUD Funds</p> <p>\$445,000 TIF District Funds</p> |
| Vickery Meadow Community Court Initiative at former Fire Station | 6742 Greenville Avenue to repurpose for community court, associated offices, and lease space to serve Vickery Meadow Neighborhood | On March 25, 2020, City Council authorized a construction contract for the renovation of the 6,453 sq. ft building for court, law and social service offices; completion January 2021 | \$1,362,777 | CDBG Funds |
| Dallas Housing Trust Fund | On December 12, 2018, City Council approved transfer of funds to seed the Dallas Housing Trust Fund | Transfer complete | \$649,097 | TIF District Funds (a portion of <i>Harvest NPE, L.P deposit</i>) |
| Vickery Meadow Branch Library | As part of the November 2017 voter-approved bond election, the City committed to the construction of a new library in the Vickery Meadow area located at 8255 Park Lane. Construction began on the library during FY 2018-2019 and was completed during FY 2020-2021. | Completed (February 2021) | <p style="text-align: center;">\$5,429,640</p> <p style="text-align: center;">\$217,200</p> <p style="text-align: center;">\$752,454</p> | <p style="text-align: center;">Library Fund (2017 bond Funds)</p> <p style="text-align: center;">Park and Recreation Fund (2017 bond Funds)</p> <p style="text-align: center;">Library Private Donation Fund – The Crystal Charity Ball and Frieda Gayle Stern Family</p> |

| District Initiatives (Cont.) | | | | |
|--|---|----------------------------|-------------------|--|
| Activity | Scope | Status | Investment | Source |
| Vickery Meadow Station Area Plan Update | In response to a request from the City for assistance updating the 2013 Vickery Meadow Transit-Oriented Development Area Plan, North Central Texas Council of Governments (NCTCOG) staff reviewed the 2013 Plan with the objective of supporting transit-oriented development and communities with access to opportunity. Using new area condition data and planning context, possible approaches were recommended for an update to the 2013 Plan. | Completed (June 2021) | \$0 | NCTCOG |
| SoPac Trail Lighting | Construction and maintenance agreement with Vickery Midtown Management Corporation (VMMC) for the construction and maintenance of lighting improvements, lighting utility costs, and enhanced maintenance on the SoPac Trail. Installation of 170 sixteen-foot light poles, light luminaires, flood lighting, and related materials, labor, permits, etc in the area located from East Northwest Highway in the south to approximately 600 feet north of Greenville Ave. | Completed (August 2021) | \$489,017 | \$122,254 VMMC \$366,763 Equity Revitalization Funds (City Council District 13) |

Value and Increment Summary

The Vickery Meadow TIF District’s 2023 assessed taxable value was \$654,184,310. This represents an increase of \$489,405,220 (297%) over the 2005 adjusted base year value of \$164,779,090 and an increase of \$26,386,800 (4.2%) over the taxable value for 2022. With the participation of the City and Dallas County, the increase over the base year value will result in 2024 collection (from 2023 values) of approximately \$3,454,747 in total incremental revenue for the District.

Objectives, Programs and Success Indicators

The Vickery Meadow TIF District Project Plan and Reinvestment Zone Financing Plan were approved on December 14, 2005. The plans' development goals are provided below:

- Facilitate private development within the Vickery Meadow TIF District to stimulate and diversify the area's economy, eliminate unemployment or underemployment, and develop or expand business, transportation, and commercial activity.

The Shops at Park Lane has transformed that portion of the Vickery Meadow TIF District, leading to \$369,750,000 in property value.

- Secure new private development consisting of at least 850,000 square feet of retail space, 200 hotel rooms, 625 residential units (rental and owner occupied), and 410,000 square feet of office space.

The following progress has been made since the District's creation:

- *0 hotel rooms have been built or are planned (0.0% of the goal)*
- *585 residential units have been built offering various types of housing for sale and rental at the Shops of Park Lane. Collectively, this represents 93.6% of the goal.*
- *403,590 square feet of office space has been built (98.5% of the goal).*
- *842,600 square feet of retail space has been built and another 5,000 square feet is under construction (99.8% of the goal).*
- Focus on traffic improvements and the redevelopment of properties within the Five-Points area as increment funds accumulate and can be supplemented with non-TIF sources.

On March 9, 2022, City Council authorized a Project Specific Agreement with Dallas County for the purpose of study/conceptual development and preliminary engineering (phase I) for transportation improvements to the Dallas County 6th Call Major Capital Improvement Project (MCIP) 10228 Park Lane from Greenville to Abrams Road, and Fair Oaks Avenue from Ridgecrest Road to Walnut Hill Lane. City Council also authorized a professional engineering services contract with Civil Associates, Inc. to design roadway modifications, improved connectivity to the SoPac and White Rock trails, and to design reconstruction of water and wastewater infrastructure in the project area.

- Encourage the redevelopment of the “Park Lane” site and improve pedestrian connections between the existing DART Park Lane light rail station to increase density while providing enhanced urban design for the TIF District.

The following progress has been made since the District’s creation:

- *Staff continues to work with DART and NCTCOG to identify potential funding for the construction of a pedestrian platform that would extend from the light rail station to the south side of Park Lane.*
 - *Staff is investigating improved pedestrian connections between Park Lane and NorthPark Center.*
- Generate approximately \$32.2 million (2006 NPV) in increment over a 20-year period (approximately \$52.06 million in total collections).

Including the estimated 2023 increment, the Vickery Meadow TIF District NPV collections are \$22.3 million (69.4% of the goal) and \$32.4 million in total collections (62.2% of the goal). There are four more years of increment collections until TIF District termination.

Year-End Summary of Meetings

The Vickery Meadow TIF District Board can consist of up to seven members, including six City of Dallas appointees and one from Dallas County. The Board, which met one time during the fiscal year, on December 13, 2022, consisted of the following members:

- Kevin Griffeth (Chair) – City Representative (attended 1 of 1 meeting)
- Elsie Thurman (Vice Chair) – City Representative (attended 1 of 1 meeting)
- Annette Anderson – City Representative (attended 1 of 1 meeting)
- Jordan Wynn – City Representative (attended 0 of 1 meeting)
- Luis Tomayo - Dallas County Representative (attended 1 of 1 meeting)

City Council approved one item directly related to the TIF District during the fiscal year. The item is summarized below:

On February 22, 2023, City Council approved Resolution Number 23-0303, accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nine (Vickery Meadow TIF District or District), submitted by the Vickery Meadow TIF District’s Board of Directors, and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District, and to the State Comptroller, as required by state law.

City Council also approved the following items indirectly related to the TIF District:

On March 8, 2023, City Council approved Resolution Number 23-0370, authorizing a three-year professional design services contract for traffic signal design services for the following six intersections: Harry Hines Boulevard at Walnut Hill Lane; Midway Road at Royal Lane; Hillcrest Road at Spring Valley Road; Dallas Parkway at Frankford Road; President George Bush Turnpike at Midway Road; Park Lane at Shady Brook Lane; and other related tasks - BGE, Inc., most highly qualified proposer of five - Not to exceed \$358,770.00 - Financing: Coronavirus State and Local Fiscal Recovery Fund.

On August 09, 2023, City Council authorized a public hearing to be held on August 23, 2023, to receive comments concerning: (1) the proposed levy of assessment for the Midtown Improvement District (the "District") in accordance with Chapter 372, Texas Local Government Code, for the purpose of providing supplemental public services to be funded by special assessments on property in the District; and, at the close of the public hearing (2) consider approval of an ordinance (a) levying a special assessment on property in the District for services and improvements to be provided during 2024;(b) establishing charges and liens against the property in the District and against the property owners thereof; (c) providing for the collection of the 2023 assessment; (d) requiring City staff to, not later than seven days after City Council's approval of the ordinance and service plan, file a copy of the approved service plan with the Dallas County Clerk; (e) authorizing amendments to the District's adopted 2023 Service Plan in accordance with the Act; and (f) providing an effective date - Financing: This action has no cost consideration to the City.

On August 23, 2023, City Council held a public hearing to receive comments concerning: (1) the proposed levy of assessment for the Midtown Improvement District (the "District"), in accordance with Chapter 372, Texas Local Government Code, for the purpose of providing supplemental public services to be funded by special assessments on property in the District; and, at the close of the public hearing: (2) authorize an ordinance approving and adopting the final 2024 Service Plan, the final 2023 Assessment Plan, the 2023 Assessment Roll (to be kept on file with the City Secretary) and 2024 Notice of Obligation to Pay Improvement District Assessment (to be filed with Dallas County); (3) establishing classifications for the apportionment of costs and the methods of assessing special assessments for the services and improvements to property in the District; (4) closing the public hearing and levying a special assessment on property in the District for services and improvements to be provided in the District during 2024; (5) providing for reimbursement of city administrative costs for operational oversight of the District; (6) fixing charges and liens against the property in the District and against the owners thereof; (7) providing for the collection of the 2023 assessment; (8) authorizing the receipt and deposit of assessments from Dallas County; (9) authorizing the disbursement of assessments and interest to MID Management Corporation; (10) authorizing amendments to the District's adopted 2023 Service Plan in accordance with the Act; (11) requiring City staff to file a copy of the amended service plan and notice with the Dallas county clerk; and (12) providing for an effective date - Not to exceed actual collections estimated at \$1,525,839.00 - Financing: Midtown Improvement District Fund (subject to appropriations).

On September 27, 2023, City Council authorized (1) an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) in the estimated amount of \$2,964,728.46 for a U.S. Department of Transportation - Federal Highway Administration 2020 Highway Safety Improvement Program Grant (CSJ No. 0918-24-267, etc., CFDA No. 20.205) in the amount of \$2,392,465.00 as Federal participation, \$448,457.32 (\$223,456.32 for direct state costs paid to TxDOT and an estimated \$225,001.00 for design, which is being done by City of Dallas staff) as local participation, and \$123,806.14 as State participation for indirect state costs to construct traffic signal improvements at five intersections (Including Shady Brook Lane at Park Lane); and (2) the disbursement of funds to TxDOT in the amount of \$223,456.32 from the Coronavirus State and Local Fiscal Recovery Fund - Total amount of \$223,456.32 - Financing: Coronavirus State and Local Fiscal Recovery Fund.

Pending TIF District Items

The Vickery Meadow TIF District's pending items include the following:

- Approval of the FY 2022-2023 Annual Report

Budget and Spending Status

The Vickery Meadow TIF District’s Project Plan and Reinvestment Zone Financing Plan established a budget for public investments that are necessary to support private investment. The TIF District budget and spending to-date are provided on the following charts:

| Vickery Meadow TIF District Project Plan Budget | | | |
|---|----------------------------------|--------------------------------|---------------------|
| Projected Increment Revenues to Retire TIF Fund Obligations | | | |
| Category | TIF Budget (Actual) ¹ | Allocated & Spent ² | Remaining Balance |
| "Park Lane" Project: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non project costs | \$33,242,417 | \$33,242,417 | \$0 |
| Five-Points Area Improvements: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non project costs | \$16,621,209 | \$0 | \$16,621,209 |
| Administration and implementation³ | \$3,648,522 | \$670,492 | \$2,993,170 |
| Total | \$53,512,147 | \$33,897,769 | \$19,614,378 |
| ¹ Budget shown above in total dollars; Project Plan shows the budget in net present value. ² Allocated amount includes the total amount of principal and interest estimated to accrue on this project. ³ Administration and Implementation amount shown are expended or committed through FY 2022-2023 and includes \$50,000 for District audits through 2012 and \$2,500 for consultant fees. | | | |

| Vickery Meadow TIF District Project Plan Budget (NPV Values) | |
|---|------------------------------|
| Category | TIF Budget (NPV)* |
| "Park Lane" Project: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non-project costs | \$20,000,000 |
| Five-Points Area Improvements: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non-project costs | \$10,000,000 |
| Administration and implementation | \$2,195,100 |
| Total | \$32,195,100 |
| * As approved in the Project Plan and Reinvestment Zone Financing Plan in 2006 dollars. | |

| Vickery Meadow TIF District M/WBE Participation | | | |
|--|-------------------|------------------------------------|--|
| Project | Contractor | Total Contract Award Amount | Percentage Minority Participation |
| Park Lane (Public Work – goal 25%) | Varies | \$13,624,760 | 37.85% (\$5,156,683) |
| Park Lane (Private Shell – goal 5%) | Varies | \$195,538,520 | 9.67% (\$18,911,015) |
| Total | | \$209,163,280 | 11.51% (\$24,067,698) |

FY 2023-2024 Work Program

The FY 2023-2024 work program for the Vickery Meadow TIF District is as follows:

- Identify additional redevelopment sites, potential developers and continue to seek growth in the TIF District through the attraction of mixed-use, high-density development.
- Work with DART, the Midtown Public Improvement District, and other entities on public improvement initiatives for the Vickery Meadow area.
- Investigate additional funding sources for district-wide improvements that include a pedestrian platform that would extend from the Park Lane Light Rail Station across Park Lane.
- Assist with funding solutions for the Five-Points Intersection redevelopment.
- Examine potential district-wide improvements that could provide impactful close-out to the TIF District.

Appendix A – Financials

City of Dallas, Texas
Vickery Meadow Tax Increment Financing District Fund (0048)
Balance Sheet as of September 30, 2023 (Unaudited)
With Comparative Totals for September 30, 2022, 2021, 2020, and 2019 (Audited)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Assets: | | | | | |
| Pooled cash and cash equivalents | \$295,210 | \$284,467 | \$141,696 | \$138,078 | \$810,981 |
| Interest receivable | \$1,705 | \$468 | \$29 | \$134 | \$3,799 |
| Total assets | <u>\$296,915</u> | <u>\$284,935</u> | <u>\$141,724</u> | <u>\$138,212</u> | <u>\$814,780</u> |
| Liabilities and Fund Balance (Deficit): | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$0 | \$0 | \$0 | \$0 | \$0 |
| Due to general fund | \$192,686 | \$175,393 | \$138,381 | \$75,122 | \$36,060 |
| Total liabilities | <u>\$192,686</u> | <u>\$175,393</u> | <u>\$138,381</u> | <u>\$75,122</u> | <u>\$36,060</u> |
| Fund Balance (Deficit): | | | | | |
| Fund Balance (Deficit) | \$104,229 | \$109,542 | \$3,343 | \$63,090 | \$778,720 |
| Total Liabilities and Fund Equity | <u>\$296,915</u> | <u>\$284,935</u> | <u>\$141,724</u> | <u>\$138,212</u> | <u>\$814,780</u> |

City of Dallas, Texas
Vickery Meadow Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2023 (Unaudited)
With Comparative Totals for September 30, 2022, 2021, 2020, and 2019 (Audited)

| | <u>ITD</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues: | | | | | | |
| Tax increment-Governmental | \$24,548,866 | \$2,769,749 | \$2,472,054 | \$2,482,535 | \$2,264,495 | \$2,228,900 |
| Tax increment-Intergovernmental | \$5,025,371 | \$532,286 | \$477,878 | \$525,193 | \$480,181 | \$474,672 |
| Interest income | \$217,463 | \$44,726 | \$3,886 | \$1,653 | \$9,324 | \$27,702 |
| Affordable housing payment | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net increase (decrease) in fair value of investments | (\$10,667) | (\$4,934) | (\$5,682) | (\$272) | (\$735) | \$13,575 |
| Total revenues | <u>\$30,781,033</u> | <u>\$3,341,827</u> | <u>\$2,948,136</u> | <u>\$3,009,108</u> | <u>\$2,753,264</u> | <u>\$2,744,850</u> |
| Expenditures: | | | | | | |
| Administrative expenses | \$617,992 | \$51,209 | \$37,012 | \$61,415 | \$75,122 | \$36,840 |
| Non-Capital Outlay | \$1,170,361 | \$0 | \$0 | \$0 | \$649,097 | \$0 |
| Capital outlay | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Principal reimbursement | \$15,786,836 | \$2,733,605 | \$2,017,975 | \$2,329,779 | \$1,997,295 | \$1,940,195 |
| Interest and fiscal charges reimbursement | \$13,101,616 | \$562,326 | \$786,949 | \$677,662 | \$747,380 | \$752,876 |
| Total expenditures | <u>\$30,676,804</u> | <u>\$3,347,141</u> | <u>\$2,841,937</u> | <u>\$3,068,856</u> | <u>\$3,468,894</u> | <u>\$2,729,911</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>\$104,229</u> | <u>(\$5,313)</u> | <u>\$106,199</u> | <u>(\$59,747)</u> | <u>(\$715,630)</u> | <u>\$14,939</u> |
| Fund balance (Deficit) at beginning of year as previously reported | \$0 | \$109,542 | \$3,343 | \$63,090 | \$778,720 | \$763,781 |
| Fund balance (Deficit) at beginning of year, as restated | <u>\$0</u> | <u>\$109,542</u> | <u>\$3,343</u> | <u>\$63,090</u> | <u>\$778,720</u> | <u>\$763,781</u> |
| Fund balance (deficit) at end of year | <u>\$104,229</u> | <u>\$104,229</u> | <u>\$109,542</u> | <u>\$3,343</u> | <u>\$63,090</u> | <u>\$778,720</u> |

Note: Fiscal year 2022-2023 unaudited financial statements are based on preliminary close numbers and are subject to review by the City Controller's Office prior to approval by the City Council. In case of any material changes, TIF board will be provided with the updated financial statements.

**City of Dallas, Texas
Vickery Meadow Tax Increment Financing District
Reinvestment Zone Number Nine
As of September 30, 2023**

Texas Tax Code Section 311.016 requires the following as part of the annual report on the status of the TIF District. Information is contained in detail on the financial statements.

1. Amount and source of revenue in the tax increment fund established for the Zone:

| | |
|--------------------|---|
| \$39,792 | Interest Income |
| \$0 | Affordable housing payment |
| <u>\$3,302,035</u> | Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll) |
| <u>\$3,341,827</u> | Total Revenue |

2. Amount and purpose of expenditures from the fund:

| | |
|--------------------|---|
| \$51,209 | Administrative Expense - TIF admin cost for FY 2022-2023 |
| \$0 | Non-Capital Outlay |
| \$2,733,605 | Developer Principal reimbursement (1) |
| <u>\$562,326</u> | Additional Subsidy in Form of Grant (in lieu of interest expense) (1) |
| <u>\$3,347,141</u> | Total Expenditures |

(1) These expenditures were incurred for the following services:

| | |
|---|--------------------|
| Prof.service fees | \$0 |
| PNV design studio cost reimbursement to general fund | \$0 |
| Transfer to Dallas Housing Trust Fund | \$0 |
| Principal pymt for FY 2023 - Park Lane Project | \$2,733,605 |
| Interest expense pymt for FY 2023 - Park Lane Project | \$562,326 |
| Total | <u>\$3,295,932</u> |

3. The Zone began reimbursing the General Fund for administrative costs in fiscal year 2009-10.

4. a. Amount of Principal and Interest due-on outstanding bonded indebtedness:

Vickery Meadow TIF District has incurred no bonded indebtedness as of September 30, 2023.

b. The zone has reimbursed the following contingent obligations from available TIF funds as of September 30, 2023:

| Developer | Project | Advance Principal | Accrued Add'l Subsidy (1) | Less Payments | Total Outstanding |
|------------------|------------------------|---------------------|---------------------------|-----------------------|--------------------|
| Northwood PL LLC | The Shops at Park Lane | \$20,000,000 | \$13,121,642 | (\$28,888,453) | \$4,233,190 |
| Total | | <u>\$20,000,000</u> | <u>\$13,121,642</u> | <u>(\$28,888,453)</u> | <u>\$4,233,190</u> |

Reimbursement of the project's outstanding TIF-eligible project costs are subject to the availability of TIF funds.

(1) Additional Subsidy in Form of Grant (in lieu of interest expense)

5. Tax increment base and current captured appraised value retained by the zone:

| Taxing Jurisdiction | Taxable Value 2023* | Base Year 2005 Value | Est. Captured Value 2023* |
|---------------------|---------------------|----------------------|---------------------------|
| City of Dallas | \$654,184,310 | \$164,779,090 | \$489,405,220 |
| Dallas County | \$654,184,310 | \$170,131,750 | \$484,052,560 |

*2023 Taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.

**Based on DCAD Certified Taxable Value. The final values will be determined on February 01, 2024.

6.

Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality:

| Taxing Jurisdiction | Assessment Per \$100*** | Amount of Estimated 2023 Increment*** |
|------------------------------------|-------------------------|---------------------------------------|
| City of Dallas | 0.58856 | \$2,880,443 |
| Dallas County | 0.11864 | \$574,304 |
| Total for all Jurisdictions | <u>\$0.70720</u> | <u>\$3,454,747</u> |

***Participation rates for City of Dallas and Dallas County are 80% and 55% respectively for tax years 2008 - 2027.

B. The total amount of estimated tax increment to be billed for the 2023 tax year is \$3,454,747. For the 2022 tax year, increment in the amount of \$3,302,035 was received.

City of Dallas, Texas
Vickery Meadow Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2023

1. The measurement focus used for the Zone fund is a flow of financial resources. The financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, tax increment revenues and interest are recognized as revenue when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.
2. The Zone's cash balances are invested in the City's investment pool and include amounts in demand deposits as well as short-term investments. Pooled investments and short-term non-pooled investments are treated as cash equivalents. Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.
3. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
4. The Zone's Financing Plan permits expenditures not to exceed \$2,195,100 over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the general fund in fiscal year 2009-10. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
5. The Zone entered into a development agreement with a developer on December 14, 2005 to pay the developer for TIF eligible costs up to principal amount of \$20.0 million plus accrued interest thereon, at an interest rate of 4.86%, for the construction of the Shops at Park Lane Project. The developer satisfied all contingencies as required by the terms of the agreement and the liability for the principal amount of \$20.0 million plus the accrued interest was recorded in fiscal year 2008-09. The TIF District began paying the developer in fiscal year 2009-10. The developer obligation balance, including principal and accrued interest, outstanding on September 30, 2023, is \$4,233,190.
6. "Due to general fund" amount of \$175,393 on September 30, 2023, represents the Zone administration costs for the fiscal year 2018-2019 (\$41,205), fiscal year 2019-2020 (\$33,917), and fiscal year 2020-2021 (\$63,259), and fiscal year 2021-2022 (\$37,012) that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF District funds. Note that these administrative costs do not include billing to other City departments.
7. FY 2022-2023 TIF administration costs accrual is in progress.
8. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B – Financial Obligations/Estimated Payoff

The Shops at Park Lane project is the only outstanding developer obligation. TIF District payment in the amount of \$20,000,000, plus interest, is underway. To date, \$28,888,453 has been paid.

| Vickery Meadow TIF District Obligations | | |
|--|----------------------------|------------------------------|
| Project Obligations | Anticipated Balance | Projected Year Payoff |
| Shops at Park Lane | \$4,233,190 | 2024/2025 |

Appendix C – District-Wide Set-Aside Funds

| Vickery Meadow TIF District Affordable Housing Set-Aside | | |
|---|------------------|----------------|
| Budget* | Allocated | Balance |
| \$1,000,000 | \$1,000,000 | \$0 |

** Funds deposited in the Vickery Meadow TIF District Tax Increment Fund by Harvest NPE, L.P. to support the development of affordable housing within the District in lieu of the developer constructing affording housing units as part of The Shops at Park Lane Project.
\$445,000 allocated to local match for HUD grant used to complete five area plans, including the Vickery Meadow area plan and funded preconstruction and design work for a mixed-use development anchored by a new VM branch library. Additionally, during FY 2018-2019, \$649,097 (included interest earned) was transferred to the Dallas Housing Trust Fund.*