

# **EXHIBIT A**

## **Farmers Market TIF District**

### **FY 2022-2023 Annual Report**



Pearl Improvement Project

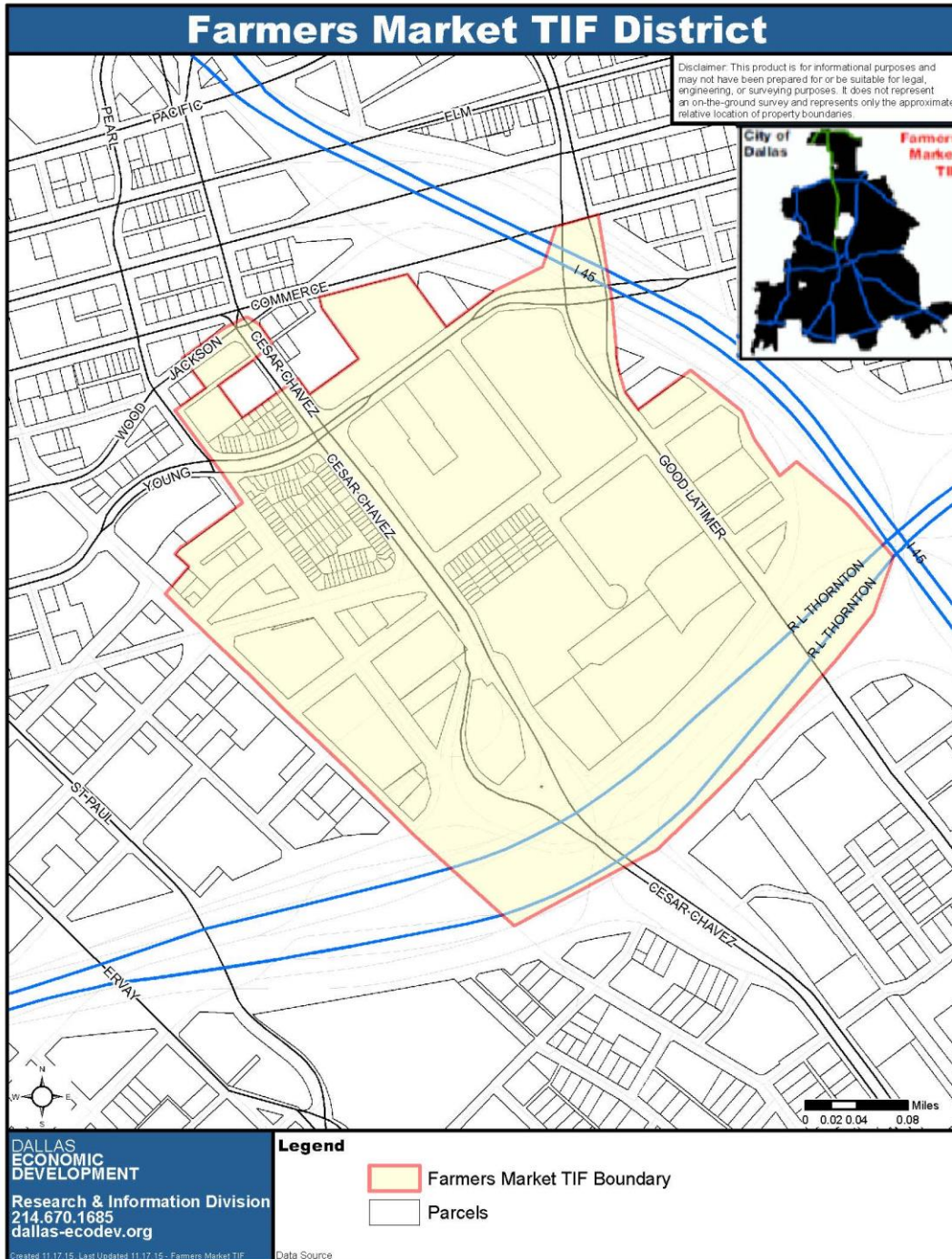


**City of Dallas**

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**October 1, 2022 to September 30, 2023**

# Reinvestment Zone Number Six Farmers Market Tax Increment Financing District



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## Mission Statement

The mission of the Farmers Market Tax Increment Financing District (the “TIF District”) is to provide a source of funding for public investments to promote the redevelopment, stabilization and growth of the TIF District area. An accompanying goal is the stabilization and growth of the value of the area’s tax base and support of the Dallas Farmers Market.

The City Council established the TIF District by Ordinance 23521 on May 27, 1998. The TIF District took effect on October 1, 1998.

In 2013, the TIF District Project Plan and Reinvestment Zone Financing Plan (“Plan”) was amended to increase the geographic area of TIF District to include properties located south and east of the existing boundary and extend the term of the TIF District to December 31, 2028 and other related changes as approved by Ordinance 28951. In 2015, the Plan was further amended to increase the geographic area of the TIF District to include properties located on the east side of Harwood Street, south of Canton Street and to adjust the TIF District budget to reflect an increase in TIF District collections. As per the amendments, the City of Dallas and Dallas County are the two participating jurisdictions: the City’s participation is 90%, and the County’s participation is 40% (however, Dallas County participation ended with 2021 increment collections due to reaching participation cap).

## TIF District Accomplishments

The TIF District was initially created to facilitate the redevelopment of vacant and underutilized land adjacent to the Dallas Farmers Market. The TIF District was amended to promote redevelopment of the Dallas Farmers Market. With more new residential development under construction and planned, the neighborhood is maturing as a major contributor to the revitalization and growth of the greater downtown area.

Completed in 2001, Phase 1A of The Park at Farmers Market Project (Camden Farmers Market) featured 620 apartment units and a clubhouse. Public improvements in Phase



1A included the extension of Marilla Street into the project, construction of Farmers Market Way, streetscape improvements and street lighting.

Camden Farmers Market Phase II, a 17-unit townhouse development at the northeast corner of Canton Street and South Cesar Chavez Boulevard, was completed during in 2001. Public improvements for Phase II included streetscape improvements, street lighting, wastewater and water improvements.



Construction of Phase 1B, with 284 apartment units, was completed in 2005 on the site immediately south of Phase 1A.



Camden Phase 1A apartments



Camden Phase II - 17 Town Homes

The Harlan Building was completed in 2005. The renovation of the structure provided 10,000 square feet of retail/commercial space and 5 residential units. The public improvements associated with the project included water and wastewater improvements, paving, streetscape, demolition, environmental remediation and façade improvements.



The Harlan Building

Perry Homes completed construction of 44 three-story townhomes in 2007, the Farmers Market Way Townhomes (Cityview at Farmers Market Townhomes), at the corner of Farmers Market Way and Cesar Chavez Boulevard.



Perry Homes – Cityview at Farmers Market

An additional 28 townhomes were built in 2010 and 2011 along Young Street at Cesar Chavez.



Banners/Streetscape



Texas InTownHomes, LLC constructed 108 single-family townhomes called Farmers Market Square at the southeast corner of Canton Street and Pearl Street. The total private cost of the Farmers Market Square Project was approximately \$47.7 million (current DCAD value is \$67.6 million). The cost of related TIF-eligible public improvements was \$3,000,000. These improvements included paving, streetscape and pedestrian lighting improvements on Cesar Chavez Boulevard, Canton Street, Marilla Street and Pearl Street. The project construction started in December 2011 and was completed in 2017. All but the model unit (not for sale) has been sold.

The Farmers Market Redevelopment Project revitalized the Dallas Farmers Market into a vibrant urban neighborhood and included multiple components:

- Shed 1 – renovation completed in 2015 and operating as a marketplace for local farmers, farm merchants and vendors to sell produce and other farm-related products (119 stall capacity).
- Shed 2 – renovation completed in 2016 with 24,148 square feet of retail space (restaurants, specialty food vendors, and other retail vendors) plus free-standing restaurant building north of Shed 2.
- Harvest Lofts Mixed Use Project (Sheds 3 and 4) – completed in 2017 with 240 residential units, 16,000 square feet of retail space, and 300 public parking spaces purchased by the City of Dallas during fiscal year 2016-2017.
- 2101 and 2111 Taylor Street (Taylor Lofts) – completed in 2019 with 60 residential units and 25,000 square feet of commercial space.
- Futsal fields and community garden – completed in 2019 on land east of southbound Cesar Chavez Boulevard.



Street view between Taylor Building and  
Farmers Market Shed 2 Harvest Lofts  
(Shed 3 and 4) in distance



Taylor Street

During the 2021-2022 fiscal year, Pearl Lofts mixed-use and mixed income development project, located on the site of the obsolete and vacant Administration Building at 1100 Pearl, was recommended by the TIF District Board and approved by the City Council for TIF District funding in an amount not to exceed \$6,544,249. Pearl Lofts commenced construction in 2023 and will include 100 residential units (30 affordable units) and ground floor office space for North Texas Food Bank. The project will also provide 25 flex-parking spaces for the public in the evenings and weekends.

The 2023 value of private development in the TIF District is approximately \$611.6 million, with an estimated additional \$44.6 million in projects underway.

<b>Farmers Market TIF District Projects<sup>1</sup></b>						
<b>Projects Within TIF District Utilizing TIF District Funding</b>						
<b>Project</b>	<b>Location</b>	<b>Year Complete</b>	<b>Status</b>	<b>Units/ SF<sup>2</sup></b>	<b>Approx. Value<sup>3</sup></b>	<b>TIF Investment<sup>4</sup></b>
The Park at Farmers Market Phase 1A Apts. (Camden Farmers Market)	2210 & 2410 Canton St.	2001	Complete	620 apartments	\$115,907,080	\$3,456,274
Townhomes Project, Phase IIA (Camden Farmers Market)	2205 Canton St.	2001	Complete	17 townhomes	\$7,879,888	\$162,225
Harlan Building Redevelopment Project	2018 Cadiz St.	2005	Complete	5 units 10,000 sf commercial	\$1,779,630	\$649,900
Farmers Market Project Phase IB- Apartments	625 S Good Latimer Expwy	2005	Complete	284 apartments	\$53,092,920	\$742,031
Farmers Market Square (InTown)	514 S. Cesar Chavez	2017	Complete	108 townhomes	\$67,587,759	\$3,000,000
Farmers Market Redevelopment <sup>6</sup>	1010 S. Pearl, 920 S. Harwood, 1011 S. Pearl, 2101 Taylor, 1224 S. Cesar Chavez	2019	Complete	Shed 1 Project (119 stalls/ 20,000 sf), Shed 2 (24,148 sf retail + 6,310 sf restaurant) Shed 3 & 4 (Harvest Lofts) (240 apts, 16,000 sf retail, parking for project and public); Taylor Lofts (60 apts, 25,000 sf commercial and Futsal Projects; (includes TIF subsidy for design)	\$84,625,730	\$21,332,859
Pearl Lofts	1100 Pearl	2025	Under Construction	100 apts; 5,585 sf office	\$27,000,000 (investment amt)	\$6,544,249
<b>Total of projects within TIF District using TIF District funding 1,204 apartment units completed and 100 apartment units under construction 130 townhomes completed 101,458 square feet retail/commercial use completed 5,585 square feet office space under construction</b>					<b>\$330,873,007 Completed \$27,000,000 Under Construction</b>	<b>\$35,887,718</b>



<b>Projects Within TIF District Not Utilizing TIF District Funding</b>						
Farmers Market Way Townhomes	1000 S. Cesar Chavez Blvd.	2007	Complete	44 townhomes	\$19,824,189	\$0
2100 Downtown Townhomes <sup>5</sup>	2140 Young St. (various)	2010/2011	Complete	28 townhomes	\$14,762,770	\$0
Alta Farmers Market	1110 S Cesar Chavez Blvd	2015	Complete	313 Units	\$63,025,760	\$0
Alliance Residential	835 S. Good Latimer	2016	Complete	340 Units	\$69,000,000	\$0
Life Storage	717 S. Good Latimer	2016	Complete	Self-Storage Facility	\$7,107,000	\$0
300 Pearl (East Quarter) <sup>7</sup>	300 S Pearl	2022	Complete	22,269 sf retail; 167,256 sf office	\$107,000,000	\$0
Townhomes Project	2205 Canton	2024	Under Construction	38 townhomes	\$17,613,867 (est value upon completion)	\$0
<b>Total of projects within TIF District NOT using TIF District funding</b>					<b>\$280,719,719</b>	<b>\$0</b>
<b>653 apartment units completed</b>					<b>Completed</b>	
<b>72 townhomes completed and 38 townhomes under construction</b>					<b>\$17,613,867</b>	
<b>22,269 square feet retail/commercial use complete</b>					<b>Under Construction</b>	
<b>167,256 square feet office space complete</b>						
<b>Total</b>					<b>\$611,592,726</b>	
<b>1,857 apartment units completed</b>					<b>Completed</b>	
<b>100 apartment units under construction</b>					<b>+</b>	
<b>202 townhomes completed</b>					<b>\$44,613,867</b>	<b>\$35,887,718</b>
<b>38 townhomes under construction</b>					<b>Under Construction</b>	
<b>123,727 square feet retail/commercial use completed</b>					<b>=</b>	
<b>167,256 square feet office space complete</b>					<b>\$656,206,593</b>	
<b>5,585 square feet office space under construction</b>						

<sup>1</sup> All information updated as of September 30, 2023.

<sup>2</sup> Based upon either the incentive application or required minimum stated in the development agreement. May be updated for completed projects based on actual unit mix and square footage.

<sup>3</sup> 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) Taxable value for completed projects (unless project has not yet been assessed).

<sup>4</sup> Principal amounts not to be exceeded per the development agreement; includes payments made by TIF District utilizing advance of City bond funds (to be repaid by TIF District funds)

<sup>5</sup> Development Agreement with 2100 Downtown Condominium LLC was terminated.

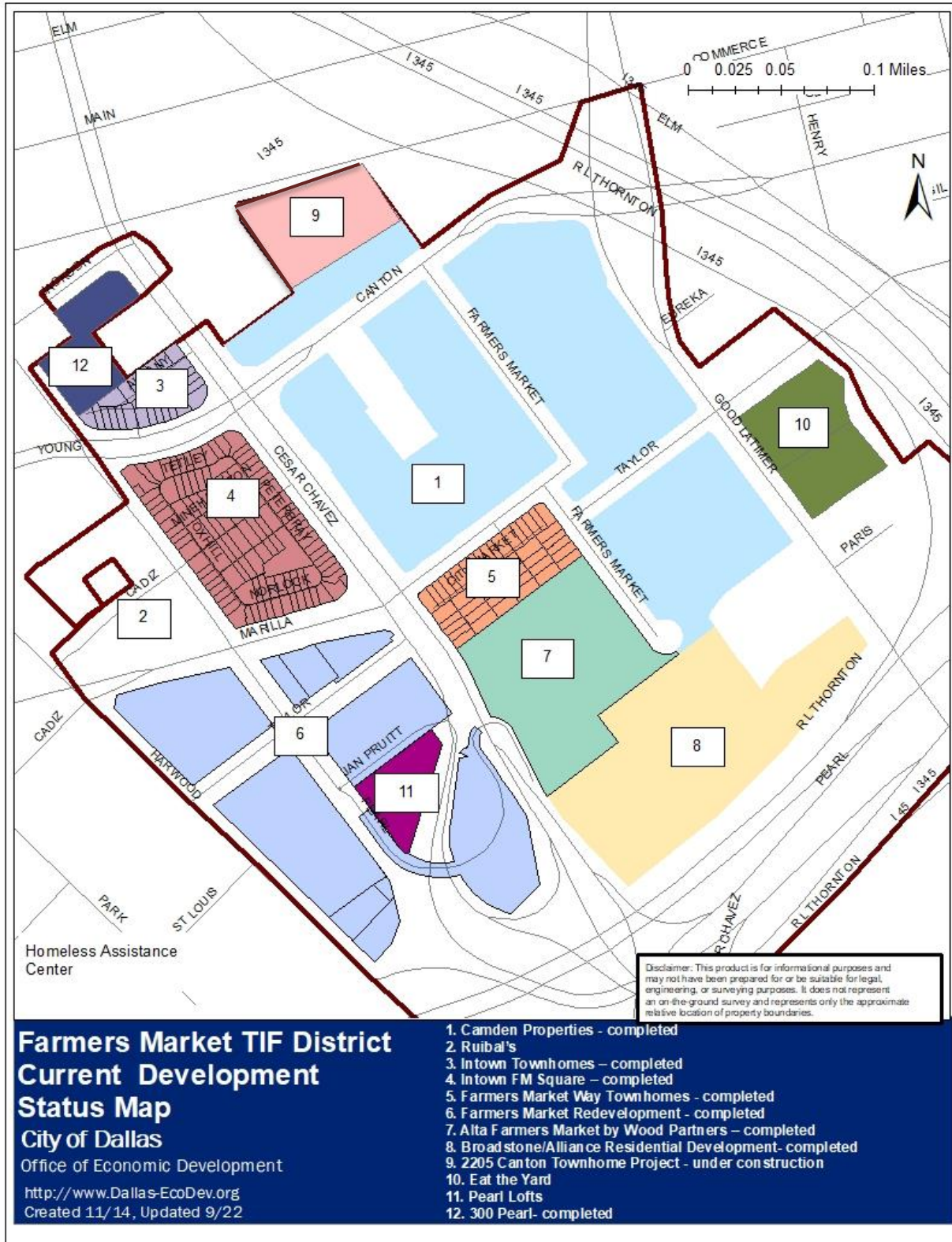
<sup>6</sup> Per the TIF program mixed-income housing requirement, the project is providing at least 20% of units as affordable

<sup>7</sup> A portion of 300 Pearl is in the TIF District; DCAD split the accounts/values; the account outside the TIF District boundary includes 340 residential units and additional office space

## Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in projects using direct site-specific TIF District funding assistance are subject to the City’s and County’s established criteria for mixed-income housing. The TIF District was created prior to establishment of the Mixed-Income Housing Guidelines for TIF Districts. When the Plan for the TIF District was amended in 2013, provisions for mixed-income housing were added. In this TIF District, a total of 1,334 units have been built to-date using TIF District funds, and 60 units have been reserved as affordable (20% of units funded since Mixed-Income Housing Guidelines were adopted for the TIF District). With the construction of Pearl Lofts, an additional 30 units (30% of the project’s total units) will be reserved as affordable.

<b>Farmers Market TIF District Housing Counts</b>	<b># of Units</b>
Completed TIF District residential units	1,334
Non-TIF District funded residential units	725
Total completed units within TIF District boundary	2,059
Affordable units Complete	60
Affordable units Under Construction	30
Note that the Farmers Market TIF District Mixed-Income Housing Guidelines were adopted in 2013; only Harvest Lofts and Taylor Lofts have been constructed since implementation of the Guidelines; Pearl Lofts (under construction) will include 30 affordable units (30% of total units)	



## TIF District Initiatives

The TIF District Plan, as amended, includes a goal to improve the pedestrian environment through plaza and sidewalk improvements, landscaping, lighting, design standards, and burial of overhead utilities, including improved pedestrian connections throughout the TIF District. The Farmers Market Area Improvement budget category allows for open space and infrastructure improvements including utility improvements and relocation, street and streetscape improvements, burial of utility lines and associated engineering and design expenses as TIF-eligible expenditures.

During fiscal year 2021-2022, the Pearl Improvement Project was recommended by the TIF District Board and approved by City Council. The Pearl Improvement Project, which began construction during the 2022-2023 fiscal year, will create a plaza within the Pearl Expressway public right-of-way between Marilla and Taylor Streets.

A summary of TIF District Initiatives is as follows:

Project	Year Complete	Status	TIF Investment	TIF District Initiative Description
Farmers Market/Deep Ellum Connector Walkway	2002	Complete	\$697,970 <sup>1</sup>	Connects Farmers Market to the Deep Ellum entertainment district
Bark Park Central improvements in Farmers Market/Deep Ellum Connector	2004	Complete	N/A	Bark Park Central project included lighting, benches and area banners. Deep Ellum Foundation, with the support of Farmers Market TIF funds, added lighting to the nearby Art Park and commissioned new art work.
Pearl Street Gateway Improvement Project	2016	Complete	\$277,348	Utility burial of three utility poles and overhead wires on Pearl Street at Marilla Street
Pearl Improvement Project	2023	Under Construction	\$285,650	Improves Pearl Expressway public right-of-way between Taylor Street and Marilla Street resulting in the creation of a curb-less pedestrian plaza

<sup>1</sup> TIF District investment for Farmers Market/Deep Ellum connector from City advance of bond funds includes investment for the Bark Park Central improvements, Lighting near Art Park and Open space improvements (\$25,000) and Pearl Street conceptual design work (\$25,000).

## TIF District Set-Aside

The TIF District has one set-aside for District-Wide Improvements. These funds are intended for improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks. There is \$1,674,275 available to-date in the District-Wide Improvement Set-Aside, assuming completion and disbursement of funding for Pearl Lofts Improvements in the amount of \$285,650.





Farmers Market/ Deep Ellum  
Connector Walkway



Lighting and open space  
improvements

## Value and Increment Revenue Summary

The TIF District's assessed 2023 tax value was \$643,672,696, an increase of \$607,958,605 over the adjusted base year. This property value change represents 1,702% increase from the adjusted base value. The 2023 tax value increased \$77,318,819 (13.7%) over the 2022 tax value. The total revenue collected in 2024 from 2023 tax year values is expected to be \$4,025,476. Dallas County's NPV participation cap of \$1.1 million was reached with the 2021 increment collections.

## Development Goals and Objectives

On August 25, 1999, the City Council passed Ordinance Number 24001 as amended, which approved the TIF District Plan. Among the goals of the Plan are:

- Goal 1: Create additional taxable value attributable to new private investment in projects in the Farmers Market TIF District totaling approximately \$114,000,000 over the term of the TIF District.

*Total private development in the TIF District completed so far is approximately \$611.6 million, and an additional \$44.6 million investment is under construction in the area (576% of goal).*

- Goal 2: Create an urban neighborhood in southeast quadrant of downtown that capitalizes on proximity to the Dallas Farmers Market and supports concepts developed in the Downtown 360 Plan.

*In 2013, City of Dallas initiated an effort to promote the redevelopment of the Dallas Farmers Market, and this effort to convert the southeast quadrant of downtown into a vibrant urban neighborhood is nearing completion.*

- Goal 3 – Facilitate redevelopment of the current Dallas Farmers Market area to adapt to changing market conditions and anchor the neighborhood.

*Dallas Farmers Market Shed 1 has been renovated as part of the Farmers Market Redevelopment Project to include improvements to meet the existing market conditions. A diversified tenant mix in Shed 1 and the addition of Shed 2 restaurants and retail support the changing neighborhood.*

- Goal 4 – Improve pedestrian, transit, bicycle and vehicular connections from the Farmers Market TIF District to the Downtown Core, Government District, Deep Ellum Entertainment District and Dallas Heritage Village/Cedars neighborhood.

*Beginning in 2016, the D-Link downtown shuttle service began proving circulation to and from Farmers Market. D-Link stopped service during fiscal year 2018-2019, after a four-month extension approved on January 9, 2019. Harwood Park, completed during the fiscal year (dedicated on September 23, 2023), enhances pedestrian connections through the open space, connecting to the greater downtown area. Staff and the TIF District Board will continue to seek ways to improve pedestrian, transit, bicycle and vehicular connections from the TIF District to various destinations. The update to the Downtown 360 Plan focuses on such connections.*

- Goal 5 – Generate approximately \$19.2 million in total TIF District collections through the end of the term of the TIF District in 2028 (final collection in 2029).

*This initial goal was set in net present value (NPV). Collections to date equal \$12.94 million NPV (67% of goal). Since the inception of the TIF District in 1998, the tax value has increased by 1,702%.*

- Goal 6 – Diversify retail and commercial uses in the Farmers Market TIF District.

*123,727 square feet of retail space and 167,256 square feet of office space has been constructed in the TIF District, including the Harlan Building (10,000 square feet), Shed 1 (20,000 square feet that accommodates 119 farm-related produce and product stalls), Shed 2 (24,148 square feet), the free-standing restaurant building north of Shed 2 (6,310 square feet), Harvest Lofts retail space (16,000 square feet) and Taylor Lofts retail space (25,000 square feet), and East Quarter's 300 Pearl (22,269 square feet retail and 167,256 square feet office). Once complete, Pearl Lofts will bring another 5,585 square feet of office space to the TIF District and will accommodate the corporate office of North Texas Food Bank.*

- Goal 7 – Encourage the development of housing in the Farmers Market TIF District that is available to households with diverse income levels.

*The TIF District adopted Mixed-Income Housing Guidelines to promote housing for diverse income levels for development receiving TIF District funding initiated after 2013. Projects approved for TIF District funding after 2013 are required to reserve 20% of residential units as affordable housing units. To date, 60 residential units (48 units in Harvest Lofts and 12 units in Taylor Lofts) are dedicated for households earning 80% or less of the Area Family Median Income. Once complete, Pearl Lofts will reserve 30% of its 100 units (30 units) as affordable.*

- Goal 8 – Develop 1,700 housing units within the Farmers Market TIF District; and 100,000 square feet of commercial, restaurant and farmers market space.

*Since the creation of the TIF District, 2,059 residential units (121% of goal) (1,857 apartments, 202 townhomes) and 290,983 square feet of commercial space (291% of goal) have been completed. Currently, an additional 138 residential units are under construction, and 5,585 square feet of commercial space is under construction.*

- Goal 9 – Encourage the redevelopment of the current Dallas Farmers Market area including the sale of some City-owned property in the area and some streets reconfigured to create a more usable site.

*Redevelopment of the Dallas Farmers Market area is complete. The City purchased the 300 public parking spaces in FY 2016-2017.*



Shed 1 – helping to meet several Farmers Market TIF District Goals

## **Year-End Summary of Meetings**

During the period of October 1, 2022 through September 30, 2023, the Farmers Market TIF District Board met one time, on December 12, 2022.

The FY 2022-2023 Board members were:

Angela Downes (Chair) - City Representative (1 of 1 meeting)  
Dr. Lorin Carter - City Representative (1 of 1 meeting)  
Charles Dicks - City Representative (1 of 1 meeting)  
Dr. Fred Jones - City Representative (0 of 1 meeting)  
Phillip Robinson - City Representative (1 of 1 meeting)  
Mark Ruibal - City Representative (0 of 1 meeting)  
Luis Tamayo – Dallas County Representative (1 of 1 meeting)

During the fiscal year, City Council approved one item directly associated with the TIF District:

On February 22, 2023, City Council approved Resolution No. 23-0300, accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), submitted by the Farmers Market 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.

## **Pending TIF District Items**

- FY 2023-2023 Annual Report

## **Budget and Spending Status**

Each TIF District establishes a budget for the public investment expenditures necessary to support private investment in the TIF District Plan. The TIF District budget and spending to date is shown in the following tables:



<b>Farmers Market TIF District Project Plan Budget</b>	
<b>Category</b>	<b>TIF Budget (in NPV)</b>
Phase IA	\$4,162,445
Deep Ellum Connector	\$197,138
Phase IB	\$336,434
Phase II	\$1,666,033
Harlan Building Redevelopment	\$162,475
Farmers Market Area Improvements	\$11,948,989
Administrative	\$765,000
<b>Total</b>	<b>\$19,238,514</b>

<b>Farmers Market TIF District Projected Increment Revenues to Retire TIF Fund Obligations</b>			
<b>Category</b>	<b>TIF Budget<sup>1</sup></b>	<b>Allocated<sup>2</sup></b>	<b>Balance</b>
Phase IA <sup>3</sup>	\$12,521,006	\$11,361,407	\$1,159,599
Deep Ellum Connector <sup>4</sup>	\$697,970	\$0	\$697,970
Phase IB	\$986,641	\$986,641	\$0
Phase II <sup>5</sup>	\$5,011,576	\$3,316,993	\$1,694,583
Harlan Building	\$701,142	\$701,142	\$0
Farmers Market Area Improvements	\$35,943,625	\$26,497,926	\$9,445,699
TIF Administration <sup>6</sup>	\$2,009,207	\$1,180,842	\$828,365
<b>Total</b>	<b>\$57,871,168</b>	<b>\$44,044,951</b>	<b>\$13,826,217</b>
<p>1. Budget shown above in current dollars (NPV value of \$19,238,514); Budget items that have been completely expended have not been escalated to current dollars; Budget excludes advance of City bond funds to TIF District</p> <p>2. Allocated includes money expended and committed for existing and future projects.</p> <p>3. Phase 1A includes estimated maximum repayment of funds advanced to the Farmers Market TIF District (Catalyst Infrastructure Projects to be repaid to City by TIF District increment)</p> <p>4. Deep Ellum Connector paid from advance of City bond funds to the TIF District and, therefore, not deducted as TIF allocation; repayment to City is shown in Phase IA; includes lighting near Art Park and Open Space Improvements (AA) - \$25,000 &amp; Pearl Street conceptual design \$25,000.</p> <p>5. Phase II includes Farmers Market Square and Phase IIA</p> <p>6. TIF District Administration includes funds expended or committed through FY 2022-2023.</p>			

<b>Farmers Market M/WBE Participation</b>				
<b>Project</b>	<b>Contractor</b>	<b>Total Contract</b>	<b>Contract Awarded</b>	<b>% Minority Participation</b>
Marilla St. & Farmers Market Way Infrastructure	Tiseo Paving	\$15,466,589	\$1,791,031	11.58%
Marilla St. & Farmers Market Way Streetscape	Gibson & Assoc., Inc.	\$21,761,854	\$1,863,606	8.56%
Marilla St. & Farmers Market Way Streetscape – contract increase	Gibson & Assoc., Inc.	\$1,272,337	\$120,872	9.50%
Good Latimer Expwy Streetscape	Gibson & Assoc., Inc	\$1,834,207	\$425,536	23.20%
Canton St. & S. Cesar Chavez Blvd Infrastructure	New Star Grading & Paving	\$295,908	\$197,045	66.59%
Farmers Market Townhomes Phase IIA Water & Waste Water	Saber Development Corporation	\$4,477,258	\$138,795	3.10%
Camden Farmers Market Ph. 1B, parcel 1 Streetscaping, Water & Waste Water	Gibson & Assoc., Inc.	\$2,384,950	\$617,702	25.90%
Harlan Building Redevelopment	Nedderman & Assoc.	\$3,693,182	\$650,000	17.60%
Farmers Market Square	Fenway Development	\$3,103,062	\$1,402,584	45.20%
Farmers Market Redevelopment – Shed 2	Benge GC	\$1,784,987	\$311,807	17.47%
Farmers Market Harvest Lofts – Shed 3&4	Andres Construction	\$31,002,873	\$5,073,714	16.37%
Taylor Street Lofts	Andres Construction	\$17,800,000	\$4,347,650	24.43%
Futsal	Café Build LLC	\$600,270	\$180,972	30.15%
<b>Total</b>		<b>\$105,477,477</b>	<b>\$17,121,314</b>	<b>16.23%</b>

Includes only completed construction projects.

## **FY 2023-2024 Work Program**

- Monitor the development of Pearl Lofts and Pearl Improvement Project.
- Implement paid parking in the public parking garage as a parking management tool to encourage turnover and availability of short-term visitor parking.
- Work with City's Department of Transportation and Downtown Dallas, Inc. on public right-of-way improvements and connectivity initiatives, particularly Cesar Chavez, to support the Farmers Market neighborhood and to assist in connecting Farmers Market with other downtown neighborhoods.
- Continue facilitating partnerships with Farmers Market and other organizations in strengthening the TIF District.

## Appendix A: Financials

**City of Dallas, Texas**

**Farmers Market Tax Increment Financing District Fund**

**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>
<b>Assets:</b>					
Pooled cash and cash equivalents	\$4,434,668	\$1,773,951	\$1,730,101	\$4,328,759	\$1,361,583
Interest receivable	\$23,421	\$3,000	\$356	\$3,370	\$1,480
Total assets	<u>\$4,458,090</u>	<u>\$1,776,951</u>	<u>\$1,730,457</u>	<u>\$4,332,129</u>	<u>\$1,363,063</u>
<b>Liabilities and Fund Balance (Deficit):</b>					
<b>Liabilities:</b>					
Accounts & contracts payable	\$0	\$0	\$22,759	\$2,810,791	\$0
Advances from developers	\$0	\$0	\$0	\$0	\$2,496
Advances from City	\$4,491,169	\$4,491,169	\$4,491,169	\$4,491,169	\$4,491,169
Due to general fund	\$235,340	\$167,061	\$138,111	\$89,892	\$40,524
Accrued liability	\$0	\$0	\$0	\$22,759	\$22,759
Total liabilities	<u>\$4,726,510</u>	<u>\$4,658,230</u>	<u>\$4,652,039</u>	<u>\$7,414,612</u>	<u>\$4,556,949</u>
<b>Fund Balance (Deficit):</b>					
Fund Balance (Deficit)	<u>(\$268,420)</u>	<u>(\$2,881,279)</u>	<u>(\$2,921,582)</u>	<u>(\$3,082,482)</u>	<u>(\$3,193,886)</u>
Total Liabilities and Fund Equity	<u>\$4,458,090</u>	<u>\$1,776,951</u>	<u>\$1,730,457</u>	<u>\$4,332,129</u>	<u>\$1,363,063</u>

**Farmers Market 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>TD</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>						
Tax increment-Governmental	\$28,974,883	\$3,550,881	\$2,957,891	\$3,210,142	\$2,983,869	\$3,123,723
Interest income	\$762,680	\$98,024	\$12,070	\$5,891	\$20,477	\$28,113
Other revenue-developer reimbursement savings	\$217,974	\$0	\$0	\$0	\$0	\$0
Proceeds from sale of land	\$433,711	\$0	\$0	\$0	\$0	\$0
Net increase in fair value of investments	(\$100,393)	(\$55,916)	(\$36,342)	(\$6,686)	\$8,125	\$7,856
Release of Retainage	\$22,759	\$0	\$22,759	\$0	\$0	\$0
Total revenues	<u>\$30,311,615</u>	<u>\$3,592,989</u>	<u>\$2,956,379</u>	<u>\$3,209,347</u>	<u>\$3,012,471</u>	<u>\$3,159,692</u>
<b>Expenditures:</b>						
Administrative expenses	\$1,137,717	\$68,279	\$77,831	\$42,766	\$90,277	\$43,906
Non-Capital outlay	\$13,339,063	\$911,850	\$2,838,244	\$3,005,681	\$2,810,791	\$3,113,277
Capital outlay	\$15,574,686	\$0	\$0	\$0	\$0	\$0
Debt service payment-Principal	\$432,967	\$0	\$0	\$0	\$0	\$0
Interest and fiscal charges	\$1,058,458	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$31,542,891</u>	<u>\$980,130</u>	<u>\$2,916,075</u>	<u>\$3,048,447</u>	<u>\$2,901,068</u>	<u>\$3,157,182</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(\$1,231,277)</u>	<u>\$2,612,859</u>	<u>\$40,303</u>	<u>\$160,900</u>	<u>\$111,403</u>	<u>\$2,509</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	(\$2,881,279)	(\$2,921,582)	(\$3,082,482)	(\$3,193,886)	(\$3,196,395)
Prior period restatement	\$962,857	\$0	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year, as restated	<u>\$962,857</u>	<u>(\$2,881,279)</u>	<u>(\$2,921,582)</u>	<u>(\$3,082,482)</u>	<u>(\$3,193,886)</u>	<u>(\$3,196,395)</u>
Fund balance (deficit) at end of year	<u>(\$268,420)</u>	<u>(\$268,420)</u>	<u>(\$2,881,279)</u>	<u>(\$2,921,582)</u>	<u>(\$3,082,482)</u>	<u>(\$3,193,886)</u>

**Note:** Fiscal year 2022-23 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.



**Farmers Market Tax Increment Financing District  
Reinvestment Zone Number Six, City of Dallas, Texas  
As of September 30, 2023**

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIF District. Information is contained in detail on the attached financial statements.

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

\$42,108	Interest Income
\$3,550,881	Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll)
<b>\$3,592,989</b>	<b>Total Revenue</b>

**2. Amount and purpose of expenditures from the fund:**

\$68,279	Administrative Expense - TIF admin cost for FY 2022-2023
\$911,850	Non-Capital outlay (1)
\$0	Capital outlay
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
<b>\$980,130</b>	<b>Total Expenditures</b>

(1) These expenditures were for the following projects:

	<u>Capital</u>	<u>Non-Capital</u>	<u>Total</u>
Phase II - Taylor Street Project (2101 & 2111 Taylor Street)	\$0	\$321,962	\$321,962
Phase II - Futsal Project	\$0	\$589,888	\$589,888
<b>Total</b>	<b>\$0</b>	<b>\$911,850</b>	<b>\$911,850</b>

**3. a. Amount of Principal and Interest due-on outstanding bonded indebtedness is as follows:**

Farmers Market TIF District has incurred no bonded indebtedness as of September 30, 2023.

**b. The Zone has the following contingent obligations payable from available TIF funds as of September 30, 2023 :**

<u>Source of Funds</u>	<u>Project</u>	<u>Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Total Due</u>	<u>Payments To Date</u>	<u>Net Balance Due</u>
City of Dallas	Catalyst Infrastructure projects	\$4,491,169	\$6,870,238	\$11,361,407	\$0	\$11,361,407
Camden Realty Trust	Townhomes Phase II A	\$162,225	\$154,768	\$316,993	\$316,993	\$0
Camden Realty Trust	Townhomes Phase I B	\$742,031	\$244,610	\$986,641	\$986,641	\$0
Cadiz Street Properties	Harlan Building redevelopment	\$649,900	\$51,242	\$701,142	\$701,142	\$0
	<b>Total</b>	<b>\$6,045,325</b>	<b>\$7,320,858</b>	<b>\$13,366,184</b>	<b>\$2,004,776</b>	<b>\$11,361,407</b>

**Note:** The above developer payments (Camden Realty Trust) have been made. However, the TIF District received an advance from the City of Dallas

Transportation/Public Works Department and DWU for catalyst infrastructure projects from 1985 general obligation bond funds. Those funds, plus interest, will be paid back to Transportation/Public Works Department and DWU once developer obligations have been paid.

**c. The Zone has entered into a development agreement for each of the following projects and their status is as follows as of September 30, 2023:**

<u>Developer</u>	<u>Project Name</u>	<u>Principal TIF Award</u>	<u>Maximum TIF Award</u>	<u>Less Payments</u>		<u>Total P &amp; I Payments</u>	<u>Net Bal. Remaining</u>
				<u>Principal</u>	<u>Accrued Add'l Subsidy (1)</u>		
FM Futsal, Ltd.	Farmers Market Area Redev-Futsal	\$589,888	\$589,888	\$589,888	\$0	\$589,888	\$0
Taylor Street 2111, LP	Farmers Market Area Redev-2101 & 2111 Taylor St.	\$3,553,480	\$3,553,480	\$3,553,480	\$0	\$3,553,480	\$0
Texas IntownHomes LLC	Intown Townhomes	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$0
DFM Developer, Ltd.	Farmers Market Area Redev-Phase I	\$1,664,832	\$1,664,832	\$1,664,832	\$0	\$1,664,832	\$0
DFM 1, LLC.	Farmers Market Area Redev-Shed 1	\$300,000	\$300,000	\$300,000	\$0	\$300,000	\$0
DFM 2, LLC.	Farmers Market Area Redev-Shed 2	\$355,477	\$355,477	\$355,477	\$0	\$355,477	\$0
DFM Developer, Ltd.	Farmers Market Area Redev-Sheds 3 & 4 *	\$13,204,350	\$13,204,350	\$13,204,350	\$0	\$13,204,350	\$0
FM City Park, LLC	Pearl Public Improvement Project	\$285,650	\$285,650	\$0	\$0	\$0	\$285,650
1100 Pearl Street, Inc.	Pearl Lofts Development Project	\$6,544,249	\$6,544,249	\$0	\$0	\$0	\$6,544,249
	<b>Total</b>	<b>\$29,497,926</b>	<b>\$29,497,926</b>	<b>\$22,668,027</b>	<b>\$0</b>	<b>\$22,668,027</b>	<b>\$6,829,900</b>

\* Disbursements began in fiscal year 2015 and will continue each year after project completion and upon availability of TIF District funds.

Principal payments of \$4,667,875 relates to purchase of the public parking garage.

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

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

Taxing Jurisdiction	Taxable Value 2023	Base Year 1996 Value	Est. Captured Value 2023*
City of Dallas	\$643,672,696	\$35,714,091	\$607,958,605
Dallas County	\$643,672,696	\$118,319,554	\$525,353,142

\* Based on Certified Taxable Values. Final values will be determined on February 01, 2024.

**5. 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:**

A. Estimated tax increment shared by the municipality and other participating taxing jurisdictions:

Taxing Jurisdiction	Assessment Per \$100	Amount of Estimated 2023 Increment
City of Dallas	\$0.66213	\$4,025,476
Dallas County	0.00000	\$0
Total for all Jurisdictions	0.66213	\$4,025,476

B. The total amount of estimated tax increment to be billed in 2024 for the 2023 tax year is \$4,025,476. For the 2022 tax year, increment in the amount of \$3,550,881 was received.

C. Dallas County reached their maximum increment contribution with the 2020 tax year (Fiscal Year 2021 collections) and no longer participates starting with the 2021 tax year (Fiscal Year 2022 collections).

City of Dallas, Texas  
Farmers Market Tax Increment Financing District  
Notes to Financial Statements for the Year Ended September 30, 2023  
(Unaudited)

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. 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).
3. 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.
4. The Zone's Financing Plan permits expenditures not to exceed \$2,009,207 (in current dollars) over the life of the Zone to reimburse the City for administrative costs. The City began billing the Zone for administrative costs in FY1998-99. 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 has received advances from City of Dallas to fund improvements that have been made by the Department of Public Works and Transportation. The City used the funds from the 1985 general obligation bond program that were allocated to fund these public improvements in the TIF district. Funds advanced by the City, which bear interest from the date of advance, include the following:
  - \$1,791,030 advance as of March 11, 1999, bears fixed interest at 5.20% annually, and
  - \$1,995,017 advance as of September 25, 2000, bears fixed interest at 5.20% annually, and
  - \$478,886 advance as of October 01, 2001, bears fixed interest at 5.20% annually, and
  - \$226,237 advance as of September 30, 2002, bears fixed interest at 5.20% annually.
6. "Due to general fund" amount of \$235,340 on September 30, 2023, represents the Zone administration costs for the fiscal year 2019-2020 (\$41,251), fiscal year 2020-2021 (\$48,218), fiscal year 2021-2022 (\$77,592), and fiscal year 2022-2023 (\$68,279) 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. All project costs resulting in capital improvements that are owned by the City of Dallas are capitalized.

## Appendix B Project Payback Assumptions

*Disbursement Year	Net Available for Disbursement	**Taylor Lofts	Futsal	***Pearl Lofts	****TIF District Advance of Bond Funds/City or Additional Project(s)
2023	\$3,120,979	\$321,963	\$589,888	\$2,209,128	\$0
2024	\$3,728,816			\$3,728,816	\$0
2025	\$4,272,436			\$606,305	\$3,666,131
2026	\$4,397,545				\$4,397,545
2027	\$4,529,125				\$4,529,125
2028	\$4,816,393				\$4,816,393
2029	\$4,921,910				\$4,921,910
	<b>\$29,787,205</b>	<b>\$321,963</b>	<b>\$589,888</b>	<b>\$6,544,249</b>	<b>\$22,331,104</b>

- \* Disbursement Year is the collection and disbursement year (tax increment from previous year)
- \*\* \$3,231,517 for Taylor Lofts paid in 2021 and 2022 for total of \$3,553,480
- \*\*\* A portion of TIF funds for Pearl Lofts has accrued but will not be paid until project completion and compliance
- \*\*\*\* TIF Advance of Bond Fund payments of \$4,491,168.29 plus interest at 5.20% fixed rate (total payment dependent on reimbursement year(s), maximum estimated amount of \$11,361,407 if paid upon TIF District expiration) due to Dallas Water Utilities and, what was at the time, the Department of Public Works and Transportation; additional increment (estimated to be \$10,969,697) may be used for projects, released to General Fund, or as otherwise directed

Estimated Payback Schedule is based on the following assumptions:

1. 2023 payments are actual; Remainder of years are estimates
2. Projects are completed and developer obligations are met
3. District Set-Aside (5% of Annual Increment) and Administration Costs are funded prior to funding developer projects (Net Available for Reimbursement)
4. All approved TIF District current TIF District funding obligations are due to the same developer for Phase II components of the FM Redevelopment Project
5. Payback based on assumption that no other projects receive TIF funds (distribution would be per Increment Allocation Policy)
6. Current projections show that full Plan Budget amount is collected