

Oak Cliff Gateway TIF District FY 2021-2022 Annual Report



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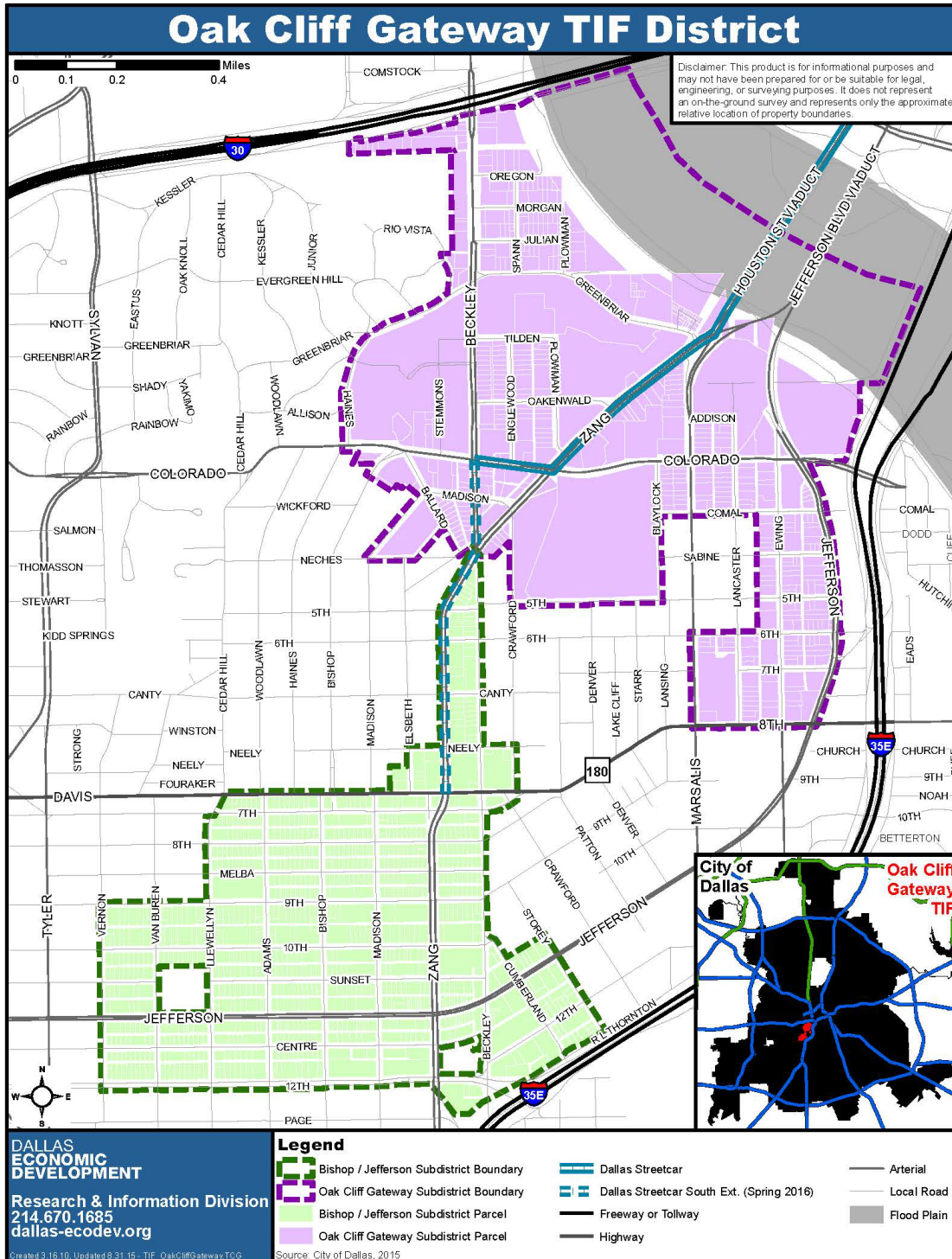
October 1, 2021 to September 30, 2022

Table of Contents

Mission Statement.....	4
TIF District Accomplishments.....	4
Mixed-Income Housing Summary.....	9
TIF District Initiatives.....	11
Value and Increment Revenue Summary.....	12
Objectives, Programs, and Success Indicators.....	12
FY 2022-2023 Work Program	17
Pending TIF District Items	17
Appendix A – Financials.....	19
Appendix B - Financial Obligations Estimated Payoff.....	22
Appendix C - District-Wide Set-Aside Funds.....	23

Front cover shows the Gateway Oak Cliff Project under construction at 400 S. Beckley Avenue. Photo credit: Carlton Companies.

Reinvestment Zone Number Three Oak Cliff Gateway Tax Increment Financing District



Mission Statement

The mission of the Oak Cliff Gateway Tax Increment Financing (TIF) District is the promotion of the redevelopment, growth and stabilization of the area. Accompanying goals are (1) growth of the value of the area's tax base through the promotion of residential and retail development and a positive reversal of urban decay through the placement of critical infrastructure improvements; (2) implementation of the pertinent recommendations of the 2001 Urban Land Institute (ULI) Study on the tracts of land composing the northern and northwestern portions of the district, and (3) establishment of direct linkages with the Trinity River Corridor and the capitalization of that effort toward growth and increased tax base value in the District.

TIF District Accomplishments

The TIF District was created by City Council Ordinance Number 21466, November 11, 1992. The TIF District was created for a period of twenty years with an expiration date of December 31, 2012. On February 12, 1997, the City Council, by Ordinance Number 23033, approved the project Plan and Reinvestment Zone Financing Plan ("Plan").

In 1998, the TIF District was amended to remove two properties, and in 2005, the Plan was amended to modify the budget to allow for environmental remediation and façade improvements and to allow for the sale of TIF District bonds.

The Plan was further amended in 2009 to extend the term of the TIF District for an additional ten years. This amendment increased the budget, returned two previously removed properties back into the TIF District, created a TIF District grant program, and decreased the participation rate of the taxing jurisdictions for the extension period.

In 2014, an expansion of the TIF District and Plan amendment were approved to create two subdistricts within the Oak Cliff Gateway TIF District: (a) Oak Cliff Gateway Sub-District (original district boundary) and (b) the Bishop/Jefferson Sub-District (an expansion area of approximately 193 acres to accommodate future development planned in the Bishop Arts and Jefferson Corridor area). The term of the Oak Cliff Gateway Sub-District was further extended by five years to December 31, 2027, and the termination date for the Bishop/Jefferson Sub-District was established as December 31, 2044.

In August 2015, a TIF District boundary amendment was approved to add approximately 4.9 acres to the Oak Cliff Gateway Sub-District for the development of the Oxygen project. The project, previously approved for TIF District funds in 2015, did not move forward; therefore, the TIF District-funded development agreement authorization expired.

During FY 2015-2016, a TIF District-funded development agreement was approved for the Bishop Arts Station project (*currently known as Victor Prosper*), a mixed-use development anchoring the extended Dallas Streetcar line. A public plaza adjacent to the streetcar stop was incorporated into the project. The project was completed in 2018. In December 2020, a minor modification to the development agreement was approved for

converting 5,154 square feet of retail space into six residential units. The residential units were completed in July 2021.

Construction on the first phase of the Dallas Streetcar was completed in late 2014. The initial segment operated from Union Station, across the Houston Street Viaduct, along Zang Boulevard and Colorado Boulevard, to Beckley Avenue. In August 2016, Phase II of the Streetcar opened, from Methodist Regional Medical Center to Bishop Arts at Davis Street/Zang Boulevard.

During FY 2019-2020, a TIF District-funded development agreement was approved with Dallas Independent School District for TIF District funding for public improvements on and adjacent to Hogg Elementary School.

During FY 2020-2021, an amendment to the Plan was approved to create a budget category in support of Dallas Streetcar operations and maintenance (O&M) for up to \$950,000 along with an initial funding dedication of \$475,000 from the available District-Wide Set-Aside for Fiscal Year 2020-2021. Subsequently in September 2021, the TIF District Board recommended the remaining \$475,000 dedication for Streetcar O&M for Fiscal Year 2021-2022, and City Council approved in December 2021.

During FY 2020-2021, a TIF District-funded development agreement was approved with Gateway Oak Cliff, LP for funding up to \$4,245,432 in support of the Gateway Oak Cliff Mixed-Income Development Project.

In September 2021, the TIF District Board adopted District-Wide Improvement Funding Guidelines. During FY 2021-2022, the TIF District Board and City Council approved a TIF District-funding agreement with AM Victor Prosper, LLC for the Zang Plaza public open space project in an amount not to exceed \$1,500,000 from the District-Wide Set- Aside.

In September 2022, the TIF District Board reviewed and recommended approval of amendments to the Plan including expanding the Bishop/Jefferson Sub-District by approximately 96 acres and adding a new Clarendon/Beckley/Kiest Sub-District with approximately 148 acres in an area including the future Southern Gateway Deck Park at IH-35 between Marsalis Avenue and Ewing Avenue and portions of the Clarendon Drive and Beckley Avenue corridors. The term of the Oak Cliff Gateway Sub-District was extended from December 2027 to December 2044. The TIF District budget was also modified and provisions for tax increment sharing from the Oak Cliff Gateway and Bishop/Jefferson sub-districts to the new Clarendon/Beckley/Kiest Sub-District and a new budget category related to housing stabilization was included. The amendment was scheduled for City Council approval in November 2022.

Projects within the TIF District completed, under construction or in the development stage are shown in the table below.

Oak Cliff Gateway TIF District Projects¹						
Projects Within TIF District Utilizing TIF District Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF²	Approx. Value³	TIF Investment⁴
Walgreens	1306 N. Beckley Avenue	1999	Complete	13,833 SF retail	\$2,806,100	\$34,811
Oak Cliff TIF Infrastructure Project ⁸	Greenbriar Lane (Beckley to Zang)	2004	Complete	N/A	N/A	\$2,251,207
Lake Cliff Tower Residential	329 E. Colorado Boulevard	2006	Complete	54 resid. units	\$12,116,776	\$4,299,742
Grand Bank Lake Cliff Tower	305 E. Colorado Boulevard	2008	Complete	6,822 SF commercial	\$1,978,380	\$0 ⁽⁸⁾
Bishop Colorado Retail Plaza	1222 N. Bishop Avenue	2009	Complete	15,720 SF retail	\$4,900,000	\$350,000
Zang Triangle ¹⁰	390 E. Oakenwald	2012	Complete	256 resid. units 3,000 flex	\$37,500,000	\$7,250,000
Oaks Trinity (formerly Alexan Trinity) ¹⁰	333 E. Greenbriar Lane	2014	Complete	167 resid. units	\$26,000,000	\$4,000,000
Victor Prosper (Bishop Arts Station) ¹⁰	195 & 196 W. Davis Street	2018	Complete	222 resid. units; 22,148 sf retail	\$46,069,690	\$11,250,000
Gateway Oak Cliff ^{6,10}	400 S. Beckley Avenue	2023	Under construction	230 resid. units	\$32,000,000	\$4,245,432
Subtotal				929 resid. units 61,523 SF retail/flex/commercial	\$163,370,946	\$33,681,192

Projects Within TIF District Not Utilizing TIF District Funding ⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value ³	TIF Investment
The Catering Company	1407 N. Zang Boulevard	1998	Complete	3,614 SF retail	\$506,000	\$0
K-Clinic Rehab Clinic	214 W. Colorado Boulevard	1998	Complete	6,876 SF medical office	\$1,245,000	\$0
Trinity Basin Preparatory ⁶	808 N. Ewing Avenue	2000	Complete	32,500 SF school	\$4,966,000	\$0
Oak Farms Dairy Expansion (now closed)	1114 N. Lancaster	2000	Complete	60,000 SF industrial	\$2,196,890	\$0
Options Real Estate Holdings	1322 N. Beckley Avenue	2002	Complete	2,756 SF office	\$278,600	\$0
Grand Peaks at Kessler Park	1520 N. Beckley Avenue	2002	Complete	338 resid. units	\$53,950,000	\$0
John Barr & Associates Expansion	203 E. Colorado Boulevard	2003	Complete	19,449 SF office	\$1,105,960	\$0
Grand Peaks at Founders Park	1401 N. Zang Boulevard	2004	Complete	336 resid. units	\$54,400,000	\$0
Beckley Properties	1101- 1121 N. Beckley Avenue	2007	Complete	15,282 SF retail/ commercial	\$1,094,090	\$0
City Credit Union	126 E. Colorado Boulevard	2008	Complete	3,000 SF commercial	\$1,045,000	\$0
Trinity Town Homes	439, 443 E. Greenbriar Lane and 401-446 E Trinity River Circle	2007	Complete	23 town home units	\$10,232,231	\$0
Trinity Town Homes II	381 East Greenbriar Lane	TBD	35 units Completed; 25 planned	60 town home units	\$22,350,415	\$0
Methodist Medical Hospital – Pavilion III	1441 N. Beckley Avenue	2008	Complete	109,774 SF medical office	\$15,775,600	\$0
Methodist Medical Hospital - Sammons Trauma & Critical Care Tower ⁹	1441 N. Beckley Avenue	2014	Complete	248,000 SF emergency and trauma care center	\$106,766,634	\$0
Baylor Institute for Rehabilitation	222 E Colorado Boulevard	2014	Complete	2,564 sf rehabilitation clinic	\$425,000	\$0

Papa John's Pizza	1127 N Beckley	2014	Complete	1,200 sf restaurant	\$450,000	\$0
Jefferson Tower redevelopment (activation of 1 st & 2 nd Floors)	301, 351, 375 W. Jefferson Blvd.	2015	Complete	17 live/work lofts; 15,869 sf upgraded retail	Added value \$3,056,270	\$0 ⁷
Bishop Arts Ph I retail/restaurant (<i>Exxir Capital</i>)	Blocks at Bishop Ave./Melba St./Madison St./9 th St.	2018	Complete	28,212 sf retail	\$3,838,810	\$0 ⁷
Bishop Arts Ph I – Mixed Use (<i>Exxir Capital</i>)	321 W. 9th	2021	Complete	246 resid. units; 9,756 sf retail	51,589,510	\$0 ⁷
Novel Bishop Arts Apartments	111 W Davis	2019	Complete	302 resid. units; 22,572 sf retail	\$70,837,080	\$0
Bishop Hi Line	305 Melba; 431 Melba	2018	Complete	118 resid. units	\$20,000,000	\$0
CVS	108 W. Davis	2018	Complete	10,000 sf retail	\$3,519,030	\$0
Elsbeth Townhomes	600 block – Finley Court	2018	Complete	16 resid. units	\$6,397,546	\$0
Bishop Arts Tenth Street Condos	427 W. 10 th Street	2018	Complete	12 resid. units	\$4,599,260	\$0
Westwood at Bishop Arts Condos	422 W. 9 th Street	2019	Complete	7 resid. units	\$3,499,776	\$0
Restaurant conversion (<i>historic home of former Mayor George Sergeant</i>)	635 N Zang Blvd.	2020	Renovation Complete	3,725 sf restaurant	\$825,000	\$0
Skyline Trinity Apartments	1900 N. Beckley Ave	2020	Complete	258 resid. units	\$56,200,000	\$0
Magnolia on Zang II	830 N. Zang Boulevard	2020	Complete	64 resid. units	\$9,761,720	\$0
Dazzling Homes	708 W 9th	2020	Complete	4 resid. units	\$1,987,550	\$0
Exxir Treehaus Apartments	211 W. 10 th Street	2020	Complete	34 resid. units	\$7,300,000	\$0

Bishop Hi Line Phase II	120 N. Madison	2022	Complete	112 resid. units; 4,257 sf retail	\$12,730,000	\$0
Bishop Hi Line Phase III	400 & 408 W. 10 th Street	2022	Complete	79 resid. units	\$6,157,250	\$0
Mintwood Real Estate - Apartments	212 Melba Street	2022	Under construction	55 resid. units	\$3,822,190	\$0
The Boheme Apartments	1207 N. Zang Blvd	2023	Under construction	352 resid. units	\$82,000,000	\$0
Zang Flats	1100 N Zang Blvd	2023	Under construction	72 resid. units	\$11,000,000	\$0
Banyan Beckley	1710 N Beckley Ave	2023	Under construction	279 resid. units	\$60,000,000	\$0
The Beckley on Trinity	111 Morgan Ave	2023	Under construction	340 resid. units	\$73,000,000	\$0
Banyan Flats	2022 N Beckley	2023	Under construction	289 resid. units	\$62,000,000	\$0
Victor Prosper Phase II	409 N. Zang Blvd.	2025	Under construction	211 resid. Units; 10,000 sf retail	\$45,000,000	\$0
Subtotal		3,624 resid. units 609,506 SF commercial		\$875,908,412	\$0	
Total - All Projects Utilizing and Not Utilizing TIF District Funding						
Total		4,553 resid. units 671,029 SF commercial		\$1,039,279,358	\$33,681,192	
<p>¹ All information updated as of September 30, 2022.</p> <p>² 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.</p> <p>³ 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, the demolition of structures and/or any exemption value is netted out.</p> <p>⁴ Principal amount not to be exceeded per the development agreement for projects not yet closed out. TBD indicates that development agreement has not yet been adopted. Asterisk indicates investment also includes interest not shown.</p> <p>⁵ Selected significant projects included.</p> <p>⁶ Tax-exempt property.</p> <p>⁷ Includes other incentives not shown. Contact City of Dallas Office of Economic Development for more information.</p> <p>⁸ Infrastructure funded as a part of the \$4.1 million for Lake Cliff Tower.</p> <p>⁹ Non-taxable value; includes \$75M for construction and \$30M for equipment and finish-out.</p> <p>¹⁰ Per the TIF program mixed-income housing requirement, the project is providing (or will set-aside) at least 20% of units as affordable for 15 years.</p>						

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. In this TIF District, as part of TIF District funding, a total of 645 units have been built to-date with affordability requirements, and 129 are currently set-aside as affordable. The Lake Cliff Tower project with 54 units was built prior to mixed-income housing requirements for the TIF District.

A total of 2,700 residential units have been completed overall. Another 1,853 units are under construction or planned (including 230 units involving TIF District funds with affordability requirements).



Victor Prosper Apartments (formerly known as Bishop Arts Station) with ground floor retail and a streetcar stop at the northwest corner and southwest corner of Davis Street and Zang Boulevard. Photo credit: Alamo Manhattan.

TIF District Initiatives

The City and community partners have been engaged in several District-wide initiatives to create streetscape connections and transit opportunities described in more detail below.

Infrastructure Projects in the Oak Cliff Gateway TIF District Using Other Sources of Funding						
Project	Location	Calendar Year Complete	Status	Project Description	Source of Funds	Amount
Colorado Boulevard	I-35 to Blaylock Street	2002	Complete	Streetscape: Paving, Lighting, Trees and Irrigation	1995 Bond Funds	\$500,000
Colorado/Beckley Sidewalk Enhancement Project	Streets around Methodist Hospital	2019	NCTCOG issued notice to proceed. Construction began early 2018 and completed in 2019	Streetscape: Paving, Lighting, Trees and Irrigation	2006 Bond Funds	\$1,600,000
					NCTCOG Sustainable Devel. Grant	\$1,750,000
Oak Cliff Streetcar Phase I	Union Station to Methodist Regional Medical Center	2014	Complete	Route runs from Union Station, across Houston St Viaduct, along Zang Boulevard and Colorado Boulevard, to Beckley Avenue	TIGER I Grant	\$26,000,000
					RTR Local Funds	\$13,600,000
					DART Love Field	\$9,000,000
Oak Cliff Streetcar Phase II	Methodist Regional Medical Center to Bishop Arts	2016	Complete	Route runs from Methodist Regional Medical Center, south on Beckley Avenue, then south on Zang Boulevard to Davis	Texas Mobility Funds	\$15,000,000
					Total	\$67,450,000

Value and Increment Revenue Summary

The assessed 2022 tax value was \$524,863,807 for the Oak Cliff Gateway Sub-District. This represents an increase of \$484,153,144 or 1189% over the adjusted base year value and an increase of 23% over last year's final value. The TIF District was expanded in 2014 to include a new Bishop/Jefferson Sub-District with an assessed 2022 tax value of \$603,505,434, an increase of \$498,363,355 or 474% over the base year and an increase of 27% over last year. The combined 2022 taxable value for the entire TIF District is approximately \$1,128,369,241, a 674% increase over the adjusted base taxable value.

With the participation of the City and Dallas County, this increase will result in the 2023 collection of approximately \$7,865,795 total in incremental revenue for the TIF District for the 2022 tax year.

Objectives, Programs, and Success Indicators

The Project Plan and Reinvestment Zone Financing Plan was originally approved by Ordinance Number 23033 on February 12, 1997. The most recent Project Plan and Reinvestment Zone Financing Plan amendment included revised development goals, listed below, for the TIF District:

The following specific objectives and development program set the framework for the planned public improvements within the Oak Cliff Gateway TIF District and, in italics, specific actions addressing these objectives:

- Improve the infrastructure within and adjacent to the TIF District to promote investment.

Street reconstruction projects on Beckley Avenue, Zang Boulevard, Greenbriar Lane, Tilden Street, Jefferson Boulevard and Colorado Boulevard (Blaylock Street to I-35) are completed. Median improvements and streetscape were completed along both sides of Zang Boulevard from Colorado Boulevard to Oakenwald and on Colorado Boulevard itself as a part of the Lake Cliff Tower development. Infrastructure and streetscape improvements were completed with the Bishop Colorado Retail Plaza project. Streetscape improvements along Zang Boulevard, adjacent to the Zang Triangle project, were completed in 2012. Streetscape projects near Methodist Hospital were completed in 2019 with \$1,600,000 in 2006 City Bond funds and \$1,750,000 in 2009 NCTCOG Sustainable Dallas streetcar projects connecting downtown to the Methodist Hospital area and extending to Bishop Arts are complete. City bond program funding (2006 and 2012) totaling \$4.1 million was directed to streetscape improvements along Bishop Avenue from 8th Street to Jefferson Boulevard.

- The amended Plan has a goal of adding 1,572,556 square feet of new residential construction (both single family/townhome units and apartment units). Previously the goal was to add 2,500 market rate apartments and 250 townhome units.

Since the start of the TIF District, a total of 2,551 apartment units have been constructed. An additional 1,828 apartment units are under construction. A total of 149 townhome/condo units have been completed and another 25 are planned.



View from Lake Cliff Park looking toward the Boheme Apartments under construction at 1207 N. Zang Boulevard (formerly the site of El Fenix Restaurant).

- The amended Plan goal is to add 393,139 square feet of new commercial construction, to include retail, restaurant, and office space

To date 671,029 square feet of retail/commercial space or office space including medical office facilities has been added in the TIF District and another 10,000 square feet is planned as part of the new Bishop Arts projects (exceeding the Plan goal).

Year-End Summary of Meetings

The Oak Cliff Gateway TIF District Board of Directors met four times during FY 2021-2022. The Board includes up to 5 representatives appointed by the City Council and one each appointed by the governing bodies of Dallas County, Dallas County Community College District (*now Dallas College*), Dallas County Hospital District, and Dallas ISD.

The following members represent the City on the Board:

- Christopher Aslam, Chair - City representative, (attended 3 of 4 meetings)
- James Sharp, Vice-Chair - City representative, (attended 1 of 4 meetings), *only served part of the year*

- Tom Krampitz, Vice Chair – City representative (attended 3 of 4 meetings)
- Alexander Kosarow - City representative, (attended 1 of 4 meetings), *only served part of the year*
- Jesus Javier Ponce – City representative (attended 4 of 4 meetings)
- Cynthia Jaggi - City representative, (attended 0 of 4 meetings), *only served part of the year*

The following Board members represent the other taxing jurisdictions:

- Orlando Alameda – DISD representative (attended 3 of 4 meetings)
- Luis Tamayo – Dallas County representative (attended 4 of 4 meetings)
- Joe Mayer - DCHD representative (attended 4 of 4 meetings)
- Vacant – DCCCD representative

During FY 2020-2021, City Council approved three items directly associated with the Oak Cliff Gateway TIF District.

- December 8, 2021, Resolution No. 21-1969 approved (1) the dedication of \$475,000.00 in Oak Cliff Gateway TIF District funds from the available District-Wide Set-Aside to support the Operation and Maintenance (O&M) of the Dallas Streetcar for Fiscal Year (FY) 2022; (2) the transfer of funds from the Oak Cliff Gateway TIF District Fund (subject to current and future appropriations from tax increments) to the Dallas Streetcar System Fund, in the amount of \$475,000.00; (3) the transfer of funds from the General Fund to the Dallas Streetcar System Fund, in an amount not exceed \$1,000,000.00; (4) an increase in appropriations in an amount not to exceed \$1,475,000.00 in the Dallas Streetcar System Fund; and (5) payment to Dallas Area Rapid Transit for O&M costs for the Dallas Streetcar System from Union Station to Bishop Arts District for FY 2022 - Not to exceed \$1,775,000.00 - Financing: General Fund (\$1,000,000.00), Oak Cliff Gateway TIF District Fund (\$475,000.00), and Streetcar Developer Fund (\$300,000.00)
- On February 23, 2022, Resolution No. 22-0378 accepted the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Three (Oak Cliff Gateway TIF District), submitted by the Oak Cliff Gateway 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 TIF District, and to the State Comptroller, as required by state law.
- On April 13, 2022, Resolution No. 22-0562 authorized a development agreement and all other necessary documents with AM Victor Prosper, LLC and/or its affiliates in an amount not to exceed \$1,500,000 in Oak Cliff Gateway TIF District funds from the District-Wide Set-Aside in consideration of the Zang Plaza public open space project located within City right-of-way at the southwest corner of 7th Street and Zang Boulevard.

Budget and Spending Status

Oak Cliff Gateway TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget ¹	Allocated	Balance
Oak Cliff Gateway Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$32,476,569	\$22,876,758	\$9,634,811
Bishop/Jefferson Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$29,547,261	\$12,750,000	\$16,797,261
Educational/Training Facilities	\$742,369	\$742,369	\$0
Streetcar Support	\$950,000	\$950,000	\$0
Administration and implementation ²	\$2,645,631	\$1,292,146	\$1,353,485
Total Project Costs	\$66,361,830	\$38,576,273	\$27,785,557
¹ Budget shown above in current dollars; TIF Project Plan shows the budget in net present value. ² TIF administration costs shown are expended through FY 2021-2022.			

Oak Cliff Gateway TIF District Amended Project Plan Budget	
Category	TIF NPV Budget*
Oak Cliff Gateway Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$8,883,742
Bishop/Jefferson Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants 	\$18,554,050
Educational/Training Facilities	\$200,000
Streetcar Support	\$257,897
Administration and Implementation	\$750,000
Total	\$28,621,027
<i>* As approved in the most recent amended Project Plan and Reinvestment Zone Financing Plan.</i>	

Oak Cliff Gateway TIF District M/WBE Participation				
Project	Contractor	Contract Award Amount	Minority Participation in Dollars (% of contract)	
Oak Cliff TIF Project	Tiseo Paving Company	\$1,964,830	\$383,731	(19.53%)
Lake Cliff Tower Project	CST Environmental	\$648,800	\$533,768	(82.27%)
Lake Cliff Tower Project	Mid-Continental Phase II-IV	\$2,184,825	\$535,500	(24.51%)
Lake Cliff Tower Streetscape	Texas Standard	\$363,530	\$363,530	(100.00%)
Zang Triangle	Billy Nabors Demolition and Mission Site Services	\$1,537,981	\$652,841	(42.45%)
Alexan Trinity	Salcedo Group Mission Site Services	\$369,396	\$225,130	(60.95%)
Bishop Arts Station (Victor Prosper)	Galindo & Boyd Oscar Orduno, Inc. Buyers Barricades LKT & Associates Ricochet Fuel Distributors, Inc. Liberty Sand & Gravel KLP Commercial Cowtown Redimix, Inc.	\$2,680,769	\$952,508	(35.53%)
Totals (% of all contracts)		\$9,750,131	\$3,647,008	37.4%
<p>1. M/WBE participation is shown above for public improvements. It was not applicable for Walgreens. 2. The City's Business Inclusion and Development program provides goals for minority and women-owned business participation in construction.</p>				

FY 2022-2023 Work Program

- Continue coordination efforts for implementation of current and potential development projects.
- Consider additional TIF District boundary amendments including the DART-owned property at 1200 E. Jefferson Boulevard as a potential future development site.
- Continue to actively market the TIF District with emphasis on high-density mixed-use development with a sustainable mix of retail, commercial/office and residential development in key target areas.
- Strategic planning for the TIF District to encourage alternative modes of transportation and connections to parks/trails.

- Coordination with the City’s Housing and Neighborhood Revitalization Department to evaluate potential homeowner stabilization, home repair, and displacement mitigation programs as part of the TIF District Plan amendment recommended by the TIF District Board in September 2022.

Pending TIF District Items

- A public hearing and ordinance to expand the geographic area of the TIF District and other amendments to the Project Plan and Reinvestment Zone Financing Plan.
- Consideration of the FY 2021-2022 Oak Cliff Gateway TIF District Annual Report and a recommendation to the City Council for approval.

Appendix A – FY 2021-2022 Financials

City of Dallas, Texas
 Oak Cliff Area Gateway Tax Increment Financing District
 Reinvestment Zone Number Three
 As of September 30, 2022

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:

(\$66,663) Interest Income	
\$5,391,318 Ad Valorem Taxes (Collected in FY 2021-2022 based on 2021 tax year Final Tax Roll)	
\$5,324,655	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$80,242 Administrative Expense - TIF admin cost for FY 2021-2022	
\$2,732,094 Non-Capital outlay*	
\$0 Capital outlay *	
\$2,812,336	Total Expenditures

* These expenditures are for the following Projects:
 Bishop Arts Station Proj. \$2,257,094 Public Infrastructure, Environmental Work, & TIF Grant
 Streetcar Support - O&M \$475,000 District Wide Improvements
 Total \$2,732,094

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

Oak Cliff Gateway TIF District has incurred no bonded indebtedness as of September 30, 2022.

b. The zone has the following contingent obligations reimbursed from available TIF funds as of September 30, 2022:

Project Description	Balance Due (Since Inception)			Payments/Adjustments To Date			Net Bal. Due
	Principal	Accrued Add'l Subsidy (1)	Total Due	Principal	Accrued Add'l Subsidy (1)	Total Paid	
Jefferson at Kessler Heights	\$1,500,000	\$676,404	\$2,176,404	\$1,500,000	\$676,404	\$2,176,404	\$0
Lake Cliff Tower Redevelopment	\$3,950,086	\$862,205	\$4,812,291	\$3,950,086	\$862,205	\$4,812,291	\$0
Bishop Colorado Retail Plaza	\$350,000	\$0	\$350,000	\$350,000	\$0	\$350,000	\$0
Zang Triangle Project	\$7,250,000	\$0	\$7,250,000	\$7,250,000	\$0	\$7,250,000	\$0
Alexan Trinity Project	\$4,000,000	\$0	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$0
Bishop Arts Station Project	\$11,250,000	\$0	\$11,250,000	\$11,250,000	\$0	\$11,250,000	\$0
Totals	\$28,300,086	\$1,538,609	\$29,838,695	\$28,300,087	\$1,538,609	\$29,838,695	\$0

- c. The Zone entered into a development agreement with Lang Partners, LLC for the Zang Triangle project in an amount not to exceed \$7,250,000 and began disbursing payment to the developer in fiscal year 2012. A final payment for \$198,487 was made to the developer as of September 30, 2017.
 - d. The Zone entered into a development agreement with ATA Apartments Limited Partnership for the Alexan Trinity project in an amount not to exceed \$4,000,000. The zone began disbursements in fiscal year 2015 and a final payment was made in fiscal year 2019.
 - e. The Zone entered into a development agreement in 2014 with Bishop Arts, LLC for the Bishop Arts Phase I project in an amount not to exceed \$5,000,000. An additional \$25,000 was authorized in 2015 towards the cost of a parking study. The agreement was terminated in 2019 and therefore no longer a TIF obligation.
 - f. The Zone previously received authorization to enter into a development agreement with RWI Green Development LLC for the Oxygen project in an amount not to exceed \$4,600,000; however, the project did not move forward; therefore the agreement authorization expired.
 - g. The Zone entered into a development agreement with Alamo Manhattan Bishop Arts I, LLC for the Bishop Arts Station project in an amount not to exceed \$11,250,000. The Zone began disbursements in fiscal year 2019.
 - h. The Zone entered into a development agreement with Gateway Oak Cliff LP for the Gateway Oak Cliff Mixed-Income Development in an amount not to exceed \$4,245,432. Disbursement is anticipated upon completion.
 - i. The Zone authorized a development agreement with AM Victor Prosper, LLC not to exceed \$1,500,000.00 in District-Wide Set-Aside funds in consideration of the Zang Plaza public open space project. Disbursements will begin upon completion and availability of District-Wide Set-Aside funds.
- (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 2022	Base Years	
		1992, 2014 & 2015 Value	Est. Captured Value 2022**
City of Dallas-Zone A & B	\$521,536,607	\$40,097,623	\$481,438,984
City of Dallas-Zone C	\$3,327,200	\$613,040	\$2,714,160
City of Dallas-Bishop/Jefferson Sub-district	\$603,505,434	\$105,142,079	\$498,363,355
Dallas County-Bishop/Jefferson Sub-district	\$1,129,683,256	\$105,090,479	\$1,024,592,777

** Based on Certified Taxable Values. Final values will be determined on February 01, 2023.

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	Amount of
	Per \$100	Estimated 2022 Increment***
City of Dallas-Zone A & B	0.74580	\$3,051,986
City of Dallas-Zone C	0.74580	\$17,206
City of Dallas-Bishop/Jefferson Sib-district	0.74580	\$3,345,115
Dallas County-Bishop/Jefferson Sib-district	0.21795	\$1,451,488
Total for all Jurisdictions	\$2.45535	\$7,865,795

*** Participation rates are as follows:

Taxing Jurisdiction	Rate	Tax Years
City of Dallas-Zone A & B	85%	2009-2027
City of Dallas-Zone C	85%	2016-2027
City of Dallas-Bishop/Jefferson Sub-district	90%	2015-2044
Dallas County-Bishop/Jefferson Sib-district	65%	2015-2034

B. The total amount of estimated tax increment to be billed for the 2022 tax year is \$7,865,795. For the 2021, the zone collected increment of \$5,391,318.

City of Dallas, Texas
Oak Cliff Area Gateway Tax Increment Financing District Fund
Balance Sheet as of September 30, 2022 (Unaudited)
With Comparative Totals for September 30, 2021, 2020, 2019, and 2018 (Audited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:					
Pooled cash and cash equivalents	\$4,430,272	\$1,891,995	\$2,003,676	\$3,005,443	\$2,708,098
Interest receivable	\$7,369	\$390	\$1,597	\$3,257	\$6,220
Total assets	\$4,437,641	\$1,892,384	\$2,005,273	\$3,008,701	\$2,714,318
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$1,278,377	\$1,989,660
Due to general fund	\$209,660	\$176,722	\$105,409	\$65,363	\$20,351
Advances from developers	\$0	\$0	\$0	\$0	\$0
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	\$209,660	\$176,722	\$105,409	\$1,343,741	\$2,010,011
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$4,227,981	\$1,715,662	\$1,899,864	\$1,664,960	\$704,307
Total Liabilities and Fund Equity	\$4,437,641	\$1,892,384	\$2,005,273	\$3,008,701	\$2,714,318

Oak Cliff Area Gateway Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2022 (Unaudited)
With Comparative Totals for September 30, 2021, 2020, 2019, and 2018 (Audited)

	<u>ITD</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Tax increment-Governmental	\$26,402,023	\$4,839,397	\$4,189,223	\$3,355,864	\$2,473,696	\$1,745,198
Tax increment-Intergovernmental	\$9,098,343	\$551,920	\$474,075	\$366,316	\$180,555	\$412,288
Interest income	\$531,453	\$22,803	\$7,561	\$22,760	\$26,056	\$31,046
Grant from City/Developer contribution	\$309,480	\$0	\$0	\$0	\$0	\$0
Net increase(decrease) in fair value of investments	(\$78,832)	(\$89,466)	(\$3,258)	\$4,972	\$13,938	(\$7,325)
Total revenues	\$36,262,467	\$5,324,655	\$4,667,601	\$3,749,912	\$2,694,245	\$2,181,206
Expenditures:						
Administrative expenses	\$1,292,146	\$80,242	\$69,487	\$107,795	\$45,415	\$0
Non-Capital outlay	\$20,484,952	\$2,732,094	\$4,778,316	\$274,330	\$409,800	\$2,788,836
Capital outlay	\$8,881,430	\$0	\$4,000	\$3,132,883	\$1,278,377	\$574,881
Interest and fiscal charges	\$1,376,146	\$0	\$0	\$0	\$0	\$0
Total expenditures	\$32,034,674	\$2,812,336	\$4,851,803	\$3,515,008	\$1,733,592	\$3,363,717
Excess (Deficiency) of Revenues over Expenditures	\$4,227,793	\$2,512,318	(\$184,202)	\$234,904	\$960,653	(\$1,182,511)
Fund balance (Deficit) at beginning of year as previously reported						
	\$0	\$1,715,662	\$1,899,864	\$1,664,960	\$704,307	\$1,886,818
Prior period restatement						
	\$188	\$0	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year, as restated	\$188	\$1,715,662	\$1,899,864	\$1,664,960	\$704,307	\$1,886,818
Fund balance (deficit) at end of year	\$4,227,981	\$4,227,981	\$1,715,662	\$1,899,864	\$1,664,960	\$704,307

Note: Fiscal year 2021-22 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
Oak Cliff Gateway Area Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2022
(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 \$2,645,631 (in current \$) over the life of the Zone to reimburse the City for administrative costs. The Zone began reimbursing the General Fund in fiscal year 1998-99. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
5. All project costs resulting in capital improvements that are owned by the City of Dallas are capitalized.
6. "Due to general fund" amount of \$209,660 at September 30, 2022 represents the Zone administration costs that have been earned for the fiscal year, (\$58,105) for the fiscal year 2019-2020, (\$71,313) for fiscal year 2020-2021, and (\$80,242) for fiscal year 2021-2022 but will be reimbursed to the General Fund in future years based on the availability of Zone 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 are capitalized by the City.

Appendix B – Financial Obligations Estimated Payoff

The TIF District currently has three outstanding obligations.

- A TIF District-funded agreement with Dallas Independent School District (DISD) for improvements on and adjacent to Hogg Elementary School has a \$785,000 obligation that includes existing cash set-side as part of the Educational/Training Facilities category in the District Budget in the amount of \$742,369 and additional funding of \$42,631 from existing District-Wide Set-Aside funds for streetscape improvements.
- A TIF District-funded development agreement was approved for funding up to \$4,245,432 in support of the Gateway Oak Cliff Mixed-Income Development Project. The project is anticipated to be complete in 2023. Based on current projections, sufficient tax increment from the overall District is anticipated to be available when the project is complete and eligible for payment.
- A TIF District-funded agreement has been authorized with AM Victor Prosper, LLC for up to \$1,500,000 in District-Wide Set-Aside funds for the Zang Plaza public open space project located within City right-of-way at the southwest corner of 7th Street and Zang Boulevard. The project is anticipated to be complete in 2025 and fully paid by 2026.

Appendix C – District-Wide Set-Aside Funds

The TIF District Increment Allocation Policy adopted by the TIF District Board for the Oak Cliff Gateway TIF District, provides that, following the full reimbursement of the Zang Triangle Project, the TIF District Board may set aside 15% of the Oak Cliff Gateway Sub-District Increment for District-Wide Improvements after administrative expenses. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and TIF District needs. After the termination of the Oak Cliff Gateway Sub-District in 2027 (calendar year 2028), 15% of the Bishop/Jefferson Sub-District will be set aside for District-Wide Improvements.

In September 2021, the TIF District Board adopted District-Wide Improvement Funding Guidelines.

In Fiscal Years 2020-2021 and FY 2021-2022, payments totaling \$950,000 for Streetcar O&M were made from Set-Aside funds.

A portion of the TIF District funding approved for Hogg Elementary School improvements includes \$42,631 from existing District-Wide Set-Aside funds towards streetscape improvements.

The District-Wide Set-Aside balance totals \$605,983 and is committed towards future payments for the Zang Plaza Project. Therefore, there is no uncommitted balance.