

Exhibit A
Davis Garden TIF District
FY 2022-2023
Annual Report



City of Dallas
Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
214-671-9825

October 1, 2022 to September 30, 2023

Reinvestment Zone Number Sixteen Davis Garden Tax Increment Financing District

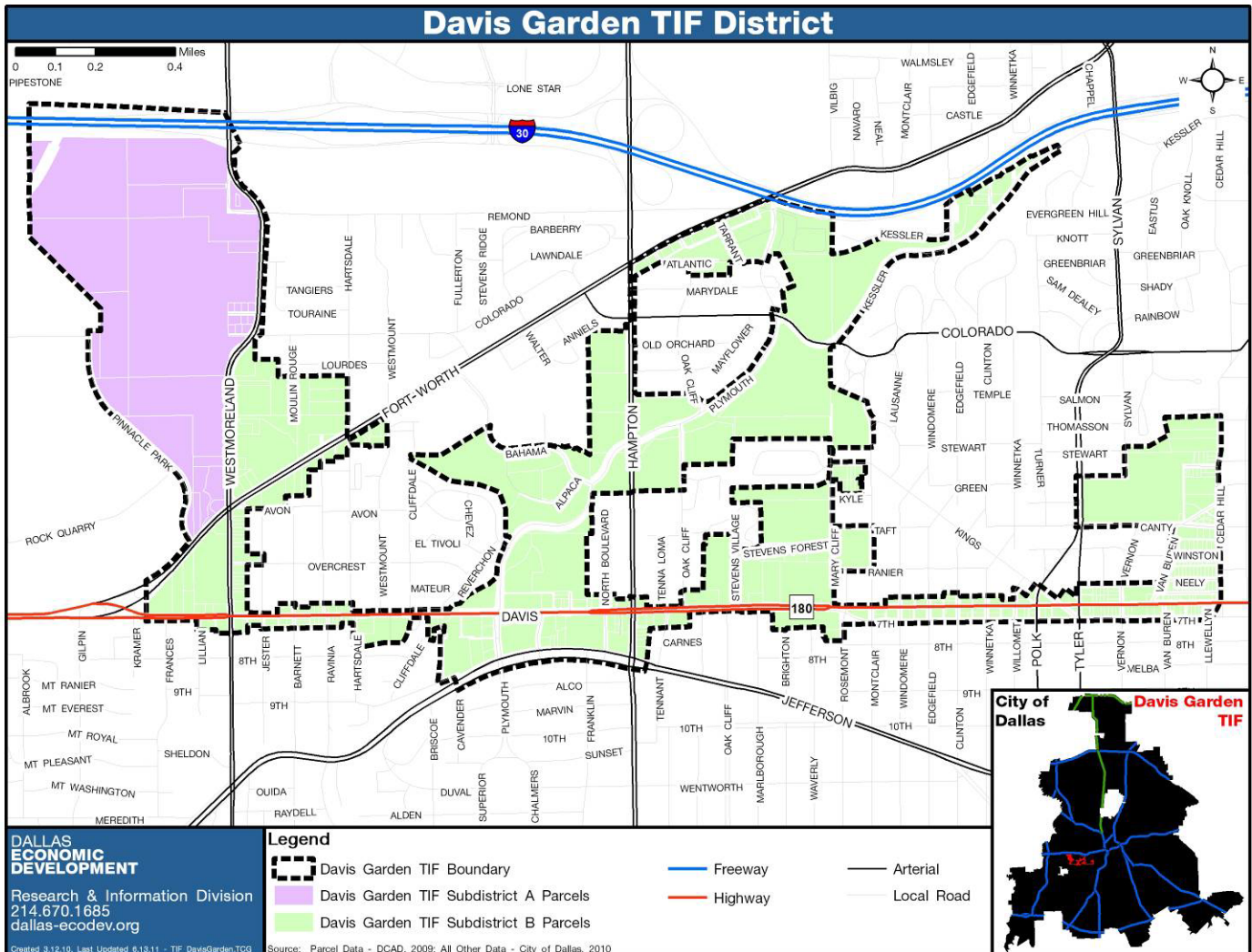


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Mission Statement

The mission of the Davis Garden TIF District is to provide a funding source to facilitate public investments to enhance the area's real estate market. The TIF District exemplifies the City of Dallas' efforts to provide a model for redeveloping urban corridors and transitioning deteriorated multi-family properties and large infill tracts of vacant land into a more sustainable mix of for-sale and rental housing. It is anticipated to provide linkages to stable neighborhoods in north Oak Cliff, redevelop aging retail centers, and enhance connectivity through improvements to area trails.

City Council established the Davis Garden TIF District by Ordinance Number 26799 on June 13, 2007, as amended. The TIF District took effect on January 1, 2008 and is scheduled to terminate on December 31, 2039 (including collection of the 2039 increment in calendar year 2040 and any related matters to be concluded in 2040). The City of Dallas and Dallas County are the TIF District's participating taxing jurisdictions. The City's annual participation rates are as follows:

- 0% in 2008
- 55% in 2009 and 2010
- 70% in 2011
- 90% in 2012 through 2039

Dallas County's participation rate was 55% from 2008 through 2011. The County's annual participation rate increased to 75% from 2012 through 2039.

TIF District Accomplishments

The Davis Garden TIF District is located southwest of downtown Dallas in the north Oak Cliff neighborhood. It includes portions of the Davis Street, Fort Worth Avenue, and Hampton Road corridors, as well as land adjacent to Pinnacle Park, commercial property and multi-family developments. The TIF District features numerous opportunities for redevelopment in areas near amenities such as Coombs Creek Trail, Kidd Springs Park, Stevens Park Golf Course, and the Twelve Hills Nature Center.

Single-family neighborhoods were excluded from the TIF District since they are not targeted for development or redevelopment activities. Kidd Springs Park, Stevens Park Golf Course, and the Twelve Hills Nature Center were included to enable improvements and enhance the connectivity between surrounding neighborhoods. The local elementary schools were included for similar reasons.

Originally, the TIF District's geographic area contained approximately 583 acres (excluding rights-of-way). However, the TIF District's boundary was expanded in 2009 to include approximately 105 acres of adjacent properties. With the boundary expansion, the TIF District's geographic area increased to approximately 688 acres.

Since the TIF District's creation, City Council has approved TIF District funding for 11 projects in the TIF District. This includes SLF III – Davis Garden TIF, L.P.'s (SLF) horizontal development project, which resulted in the demolition of 1,503 outdated apartment units in accordance with the TIF District's goal to replace 2,100 functionally obsolete apartments and 85,000 square feet of commercial space with approximately 2,200 for-sale units, 4,400 rental units and 663,300 square feet of improved, reconfigured or new neighborhood retail space. To date, 499 residential units have been constructed or are under construction on these sites. Development of the newly created development sites, such as the Bell Bishop Arts Apartments, is anticipated to further improve north Oak Cliff's successful residential market as well as stimulate the expansion of residential and commercial activity throughout the TIF District. Several conversions of automobile repair garages to restaurant and retail space have also occurred along West Davis Street in the TIF District.



Bell Bishop Arts Apartments

The Canyon in Oak Cliff project includes 196 acres of previously undeveloped land located southwest of Interstate Highway 30 and North Westmoreland Road. On June 8, 2011, City Council awarded SLF \$128,875,756 in TIF District funding for the construction of public infrastructure improvements in The Canyon. Prior to City Council's approval of the public subsidies, this vast area was not served by public utilities or streets. In contrast, the construction of the project's public infrastructure improvements was anticipated to help facilitate development of the following:

- 2,762 residential units
- 368,296 square feet of retail space
- 48,200 square feet of flex/retail space



The Canyon in Oak Cliff - Conceptual Site Plan

In 2011, City Council approved a project to design Phase One of a new eastbound frontage road for I-30 located between Cockrell Hill Road and Westmoreland Road to improve access to The Canyon project. The design and construction of the frontage road were completed during fiscal years 2012 and 2013, respectively.



In 2012, GroundFloor Development constructed a 160-unit, affordable multi-family project called Taylors Farm on the northeast corner of Pinnacle Park Boulevard and Rock Quarry Road as part of The Canyon project. One year later, GroundFloor completed their second project in The Canyon, Hillside West, a 130-unit senior housing project, one block north of Taylors Farm on the northeast corner of Pinnacle Park Boulevard and Falls Bluff Drive. Of the new residential units, 274 (94%) are designated for affordable housing.

The Kessler Theater and the buildings occupied by Bolsa, the Common Desk, Oak Cliff Coffee Roasters, and Oil and Cotton/Davis Street Espresso are properties with historic significance that have been renovated or converted for commercial use since the TIF District's creation. In 2012, the TIF District supported the renovation of Kessler Theater, which as a result, now provides office and retail space for independent businesses, an instructional arts center for children, and a performance venue.



As a result of public infrastructure improvements made by SLF and the City, and after the construction of Colorado and Canyon Bluff Boulevards, work began on the IH-30 Frontage Retail portion of The Canyon project, which is an approximately eight-acre tract on the southwest corner of IH-30 and North Westmoreland Road. The site attracted Residence Inn by Marriott, Buffalo Wild Wings restaurant, and Olive Garden restaurant, all of which opened to guests in 2018.



Construction of the project improvements supporting the hotel, retail, and restaurant improvements within the IH-30 Frontage Retail area including the streetscape along Canyon Bluff and Colorado Boulevards, the Loop Road and the utilities within the Loop Road were completed in 2018.

In May 2022, LMC, a subsidiary of Lennar Corporation and a vertically integrated multi-family apartment builder, developer and asset manager, purchased undeveloped portions of The Canyon property from SLF. In July 2022, LMC re-branded to Quatterra Multi-Family.

TIF District Projects

Projects within the Davis Garden TIF District utilizing TIF District Funding ¹						
Project	Location	Status	Date Completed	Units/SF ²	Approximate Value ³	TIF District Investment ⁴
SLF's Horizontal Development Project	Various sites in TIF District	Complete	2011	N/A	N/A	\$4,008,247
The Canyon in Oak Cliff	Southwest of Interstate Highway 30 and N. Westmoreland Rd	Ongoing	N/A	Ongoing	\$472,000,000	\$128,875,756
I-30 Frontage Road Design Project	South side of I-30 between Cockrell Hill Rd & Westmoreland Rd	Complete	2012	N/A	N/A	\$436,919
Taylor's Farm Apartments	1150 Pinnacle Park Blvd	Complete	2012	160 res units	\$10,880,000	\$2,071,197
Kessler Theater Renovation Project	1214 W. Davis St.; 1215 W. 7th St	Complete	2012 (Phase I) 2015 (Phase II)	6,300 sf retail 5,100 sf entertainment	\$650,580	\$136,343
Hillside West Apartments	3757 Falls Bluff Drive	Complete	2013	130 res units	\$5,461,000	\$1,600,000
Subtotal				290 res. units 6,300 sf retail/rest. 5,100 sf entertainment	\$488,991,580	\$137,128,462

¹All information updated as of September 30, 2023.

²Based upon information from developer, news articles and/or project announcements for projects under construction, announced or planned. For completed projects, information is actual unit mix and square footage.

³Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction, planned or announced.

⁴Principal amount not to be exceeded per the project's development agreement.

Projects within the Davis Garden TIF District Not Utilizing TIF District Funding ¹						
Project	Location	Status	Date Completed	Units/SF ²	Approximate Value ³	TIF District Investment ⁴
Encina Restaurant (Formerly Bolsa Restaurant)	614 W. Davis St	Complete	2007	3,879 sf retail	\$233,130	\$0
Berkley's Market (Formerly P3 Holdings, LLC; Formerly Bolsa Mercado)	634 W. Davis St	Complete	2008	4,000 sf retail	\$211,250	\$0
Twelve Hills Nature Center's Urban Prairie Trailhead Project	817 Mary Cliff Rd	Complete	2010	N/A	\$39,640	\$0
Bell Bishop Arts Apartments	1836 W. Davis St	Complete	2012	207 res units	\$38,250,000	\$0
I-30 Frontage Rd Construction project	South side of I-30 between Cockrell Hill Rd and Westmoreland Rd	Complete	2013	N/A	N/A	\$0
Oak Cliff Coffee Roasters	817 W. Davis St	Complete	2013	3,920 sf retail	\$280,460	\$0
7 Eleven	408 N. Hampton	Complete	2013	2,400 sf retail	\$1,416,450	\$0
Fort Worth Ave Plaza	3225 Fort Worth Ave	Complete	2013	6,696 sf retail	\$1,202,300	\$0
Common Desk	633 W. Davis St	Complete	2015	10,400 sf office	\$451,140	\$0
Oil and Cotton & Davis Street Espresso	819 W. Davis St	Complete	2015	2,600 sf office	\$248,050	\$0
bbop Seoul Kitchen	828 W. Davis St	Complete	2016	3,280 sf rest.	\$1,312,220	\$0
West Davis Village	1314 W. Davis St	Complete	2016	14,580 sf retail	\$1,868,040	\$0
Retail Strip	600/610 N. Tyler St	Complete	2016	20,048 sf rest.	\$1,630,000	\$0
1600 Kings Highway	1604 Kings Hwy	Complete	2018	36 detached units	\$22,994,410	\$0
Kessler Reserve	Cedar Hill Ave; Kessler Reserve Crt	Complete	2018	15 detached units	\$15,239,100	\$0

Bishop Heights	829 - 901 Cedar Hill	Complete	2018	48 detached units	\$25,293,510	\$0
Residence Inn Hotel	3425 Canyon Bluff Blvd	Complete	2018	103 hotel rooms	\$10,300,000	\$0
Olive Garden	3333 Canyon Bluff Blvd	Complete	2018	4,669 sf rest.	\$2,387,400	\$0
Clinton Retail	611 N Clinton	Complete	2018	7,500 sf retail	\$135,000	\$0
Kessler Hills Addition	1080 N Westmoreland	Complete	2018	12,868 sf retail	\$3,865,170	\$0
Buffalo Wild Wings	3351 Canyon Bluff Blvd	Complete	2018	6,655 sf rest.	\$2,467,130	\$0
High Grove at West Kessler Heights	1919-1988 Kessler Heights	Complete	2020	53 detached units	\$32,648,320	\$0
Echelon at Reverchon Bluffs	2603 W. Davis St.	Complete	2022	82 res units	\$34,883,300	\$0
Kessler West	610 N.Oak Cliff	Under Construction	2024	73 detached units	\$6,481,140	\$0
Subtotal				514 res. units 90,495 sf retail/rest. 13,000 sf office 103 hotel rooms	\$203,837,160	\$0
Total				804 res. units 103 hotel rooms 96,795 sf retail/rest. 13,000 sf office 5,100 sf entertainment	\$692,828,740	\$137,128,462

¹All information updated as of September 30, 2023.

²Based upon information from developer, news articles and/or project announcements for projects under construction, announced or planned. For completed projects, information is actual unit mix and square footage.

³Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction, planned or announced.

⁴Principal amount not to be exceeded per the project's development agreement.

TIF District Initiatives				
Activity	Scope	Status	Investment	Source
Rosemont Plaza	Pocket Park at Rosemont St and W. Davis St	Completed September 2015	\$395,659	Davis Garden TIF District
Rosemont Safe Routes to School	Streetscape/roadway improvements adjacent to Rosemont campus	Completed September 2015	\$115,569	Davis Garden TIF District
North Oak Cliff Street Car Extension	Service benefits the TIF District. Extension of the startup line from Methodist Regional Medical Center to Davis St at Zang Blvd.	Completed August 2016	\$18,000,000	Texas Mobility Funds \$15,000,000 for added segment Davis Garden TIF District \$3,000,000 (operations/maintenance)
Rosemont Safe Routes to School – design/engineering	Engineering study for additional pedestrian, traffic calming and bicycle improvements	In progress	\$270,991	TXDOT Transportation Alternatives Program \$69,566 Davis Garden TIF District \$201,425
Rosemont Safe Routes to School – additional scope – design/engineering	Additional supplemental design costs associated with the Rosemont Safe Routes to School Project.	In progress	\$50,500	Davis Garden TIF District
Total Investment			\$18,832,719	

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 the Davis Garden TIF District, a total of 290 units have been constructed with the direct support of TIF District funding. Of these units, 274 (94.5%) are currently set-aside as affordable.

Value and Increment Revenue Summary

The Davis Garden TIF District's 2007 adjusted base year taxable value was \$137,834,597. The TIF District's 2023 certified taxable value, as determined by the Dallas Central Appraisal District, is \$552,813,766. This represents an increase of approximately \$414,979,169 (301%) over the adjusted base year value. This increase in value will result in the collection in 2024 of \$3,424,376 (City - \$2,747,702 and County - \$676,674) in incremental revenue for the TIF District. The TIF District's value increased by \$50,787,463 (10%) from the previous year's value (\$502,026,303).

Objectives, Programs and Success Indicators

The Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan (Plan) was approved on February 27, 2008, as amended. The Plan's defined development goals are summarized below:

- Utilize TIF District funding to encourage needed horizontal improvements and site preparation in the TIF District. This includes environmental remediation and demolition of structurally and functionally obsolete structures to set the stage for future redevelopment activities as described in this plan.

The environmental remediation and demolition of six obsolete apartment buildings (1,503 units) have been completed since the TIF District's creation. The buildings' former sites were prepared for future redevelopment activities.

- Utilize TIF District funding to encourage the needed redevelopment of the large area (The Canyon) located southwest of the intersection of Interstate Highway 30 and North Westmoreland Road.

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

- *The Canyon in Oak Cliff development agreement was approved by City Council on June 8, 2011. The project, which consists of the construction of public infrastructure improvements on approximately 196 acres of undeveloped land within the area, is currently in progress.*
- *Taylor's Farm, a 160-unit multi-family project approved by City Council on November 9, 2009, was completed during FY 2012.*
- *Hillside West, a 130-unit senior housing project approved by City Council on April 28, 2010, was completed during FY 2013.*
- *Residence Inn by Marriott hotel containing 103 rooms was completed in 2018.*
- *Two restaurant spaces (Olive Garden and Buffalo Wild Wings) were completed in 2018.*
- Create additional taxable value attributed to new private development and appreciation totaling approximately \$1.7 billion over the TIF District's 32-year life.

Added value for the TIF District as of the 2023 tax year totals \$414,979,169 (24.4% of the goal). The development timeline in The Canyon has been much slower than projected, limiting property value increases and incremental revenue

collections for the Davis Garden TIF District. There is still a lengthy period for additional revenue to be collected as the Davis Garden TIF District does not expire until 2039.

- Attract new private development in the TIF District by replacing approximately 2,100 residential units with new residential units that will establish a more sustainable mix of for-sale and rental units; add approximately 6,600 residential units to increase population density in the area; and develop approximately 663,300 square feet of retail space and 1,245,000 square feet of other commercial space.

Preparation of six sites for future redevelopment activities which included the demolition of 623 obsolete apartment units (30% of the goal) has occurred since the TIF District's creation. 804 new residential units have been constructed or are under construction in the TIF District (12% of the goal). Of the new residential units, 274 (36%) are designated for affordable housing as part of the Taylors Farm and Hillside West projects.

Retail and restaurant conversions throughout the TIF District have resulted in 103,112 square feet of renovated space (15% of the goal). These projects greatly increased commercial activity in the West Davis corridor. Limited retail development has occurred in The Canyon with construction of 11,324 square feet of restaurant space.

- Encourage the redevelopment of properties along the West Davis Street, Fort Worth Avenue, North Westmoreland Road and Hampton Road corridors for new residential and commercial uses that feature enhanced urban design standards which are complementary to the historic and conservation districts in the immediate area.

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

- *Six sites throughout the TIF District have redeveloped:*
 - *Cliffwood Apartments redeveloped into Bell Bishop Arts (multi-family)*
 - *Chateau Crete Apartments redeveloped into High Grove at West Kessler Heights (single family)*
 - *King's Highway Apartments redeveloped into 1600 Kings Highway (single family)*
 - *Kidd Springs Apartments redeveloped into Bishop Heights (single family)*
 - *Acorn Tree Apartments redeveloped into Kessler West (single family)*
 - *North Hills Apartments redeveloped into Echelon at Reverchon Bluffs (single family)*

- *The City of Dallas Design Studio has completed a study of the West Davis Street Corridor. The findings are being used to develop a plan for public improvements along West Davis Street.*
- *The West Oak Cliff Area Plan (WOCAP) produced by the City’s Planning and Urban Design Department was approved by the City Plan Commission on September 15, 2022 and was approved by City Council on October 26, 2022. An approximate 1.5 mile portion of West Davis Street is included in the plan, and approximately 1 mile of that portion is included in the Davis Garden TIF District. Recommendations for improvements to West Davis in the WOCAP include but are not limited to opportunities to install a traffic signal or hawk signal along West Davis between Westmoreland and Plymouth to provide safe crossing for pedestrians, as well as providing bike lanes and public realm improvements along West Davis between Westmoreland and Hampton.*
- Sustain the stability of local schools while redevelopment activities occur within the area’s neighborhoods by encouraging strong communication between the Dallas Independent School District and area developers.

Staff has worked closely with neighborhood schools to coordinate redevelopment activities with the schools’ needs. This includes meeting with the principal of the Rosemont Elementary and Primary Schools and DISD Administrators as part of the planning process for the Rosemont Safe Routes to School Project.

- Diversify commercial and retail uses in the TIF District by restoring historic commercial buildings and finding redevelopment options for commercial structures that are architecturally less significant.

The Kessler Theater and the buildings occupied by Encina, the Common Desk, Oak Cliff Coffee Roasters, and Oil and Cotton/Davis Street Espresso are properties with historic significance that have been renovated or converted for commercial use since the TIF District’s creation:

- *The Settles Garage has been converted into Encina Restaurant and approximately 1,850 square feet of office space.*
- *The Kemp Garage was converted into approximately 4,000 square feet of commercial space that was occupied by Bolsa Mercado. In July 2022, Berkley’s Market, a specialty grocery and café with indoor and outdoor seating, opened in the space.*
- *The retail building at 633 West Davis Street has converted into approximately 10,400 square feet of shared workspace that is occupied by the Common Desk.*

- *The renovated Kessler Theater contains office and retail space for independent businesses, an instructional arts center for children and a performance venue.*
- *The automotive garages that comprised Miguel's Auto Body Shop have been converted into two properties. The first of which is occupied by Oak Cliff Coffee Roasters. It contains a coffee roaster and 1,300 square foot café. The second building is occupied by Oil and Cotton and Davis Street Espresso.*
- Improve recreational opportunities and connections to City trails and open space within the TIF District while providing better connections to County trails and other recreational amenities in the area.

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

- *The Twelve Hills Nature Center, Inc.'s Urban Prairie Trailhead project, which was approved by City Council on October 14, 2009, was completed during FY 2010.*
- *Work has been completed on the Coombs Creek Trail along Kessler Parkway from Sylvan Avenue to Colorado Boulevard, Colorado Boulevard from Kessler Parkway to Plymouth Road and Plymouth Road from Colorado Boulevard to Hampton Road. The project was funded by General Obligation Bond Funds.*
- *Approximately \$8 million in upgrades for Stevens Park Golf Course were completed during FY 2012. The upgrades were funded by several funding sources including the 2003 and 2006 Bond Fund programs.*
- *A new pavilion at Kidd Springs Park was completed in 2015 funded by the 2006 Bond Fund program. Construction of a new aquatics center at Kidd Springs Park was completed during the fiscal year and opened to the public in the summer of 2019. Proceeds from the Elgin B. Robertson land sale provided funding for several regional family aquatic centers throughout the City.*
- *Shared bicycle lanes are included in the new section of Colorado Boulevard, located in the Canyon sub-district between IH-30 and Westmoreland Road.*
- Improve transportation including but not limited to hike and bike trails, bus, trolley, streetcar, and freeway access, street improvements and construction of new public streets and thoroughfares.

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

- *City Council approved a project pertaining to the design for Phase One of a new eastbound frontage road for I-30 located between Cockrell Hill Road and Westmoreland Road during FY 2011. The design and construction of the frontage road were completed during fiscal years 2012 and 2013, respectively.*
- *SLF III – The Canyon TIF, L.P.'s North Oak Cliff Streetcar Extension project was approved by City Council during FY 2011.*
- *During FY 2012, the Davis Garden TIF District Board made the following recommendations concerning the best utilization for SLF's \$1 million deposit into the Davis Garden TIF District Increment Fund for future TIF District infrastructure improvements that benefit the TIF District in lieu of the developer constructing median improvements, streetscape or other public improvements (note: funding includes interest earnings):*
 - *Rosemont Plaza Project – comprised the closure of the diagonal portion of 7th Street between Mary Cliff Road/West Davis Street and Montclair Avenue to create a pedestrian plaza that combined the abandoned right-of-way with two small triangular medians to create a larger pedestrian plaza. Project Budget – \$395,659. The project was completed FY 2015.*
 - *Matching Funds for the Kessler Theater project's infrastructure improvements component – approximately \$60,000 in TIF District funding leveraged an additional \$179,200 in matching funds from TxDOT (NCTCOG Grant). The funds were used to construct streetscape improvements outside the theater along West Davis and Clinton Streets. The project was completed FY 2015.*
 - *Rosemont Safe Routes to School Project – improved bicycle safety in the vicinity of schools through improved routing, signage and pedestrian amenities. The project consists of sidewalk improvements on the north side of Stevens Forest Drive, a 10' bike trail that connects the sidewalk on Mary Cliff Road to the internal drive for the Rosemont Chris Semos Campus (through DISD property) and sidewalk improvements along Mary Cliff Road. Project Budget – \$115,569. The project was completed FY 2015.*
 - *Davis Corridor Urban Design Study – the study was conducted by the City of Dallas Design Studio. The study's findings were used to develop a concept for reconfiguring West Davis Street between Montclair Avenue and Zang Boulevard. Project Budget – \$35,880. The project was completed FY 2014.*

- The Rosemont Safe Routes to School design/engineering study, funded by TXDOT and local match funds from the TIF District, is still in progress. Completion of design/engineering and commencement of construction is anticipated in FY 2023.
- Generate an NPV of \$103.7 million in 2008 dollars or approximately \$367,212,757 total dollars in real property tax increment for the TIF District Fund over 32 years of collections.

This initial goal was set in net present value (NPV). Collections to date equal \$14.1 million NPV (13.6% of the goal). Since the inception of the TIF District in 2008, the taxable value has increased by 301%.

Year-End Summary of Meetings

The Davis Garden TIF District Board of Directors had three meetings during FY 2022-2023: January 17, 2023 (special called meeting); June 21, 2023 (regular meeting); and September 20, 2023 (regular meeting).

The Board can consist of up to seven members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2022-2023, the Board members were (FY 2022-2023 Board meetings attended):

- Position 1: Jennifer Longfellow – City representative (3 of 3 meetings)
- Position 2: Nicolas Carmona—City representative (2 of 3 meetings)
- Position 3: William Zimmerman— Chair, City representative (3 of 3 meetings)
- Position 4: Augustin Torres— Vice Chair, City representative (3 of 3 meetings)
- Position 5: Lauren Clayton – City representative (2 of 3 meetings)
- Position 6: Greg McCormack—City representative (0 of 3 meetings)
- Position 7: Luis Tamayo – County representative (3 of 3 meetings)

During FY 2022-2023, City Council acted on one item associated with the Davis Garden TIF District:

- On February 22, 2023, City Council approved Resolution No. 23-0310 accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Sixteen (Davis Garden TIF District or District) 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 - Financing: No cost consideration to the City.

Pending TIF District Items

- FY 2022-2023 Annual Report

Budget and Spending Status

The Davis Garden 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's budget and spending to date are provided on the following charts:

Davis Garden TIF District Projected Increment Revenues to Retire TIF District Fund Obligations			
Category	TIF District Budget*	Allocated**	Balance
Infrastructure Improvements	\$119,598,225	\$8,082,206	\$111,516,019
Environmental Remediation/Demolition	\$15,481,007	\$3,313,246	\$12,167,761
Affordable Housing	\$42,916,358	\$4,671,197	\$38,245,161
Historic Façade Restoration	\$7,009,145	\$86,535	\$6,922,610
TIF District Wide Improvements - Parks, Open Space, Trails, Trolley/Streetcar	\$15,693,252	\$3,088,145	\$12,605,107
The Canyon in Oak Cliff Improvements ¹	\$165,737,257	\$128,875,756	\$36,861,501
Administration and Implementation	\$6,759,782	\$994,300	\$5,765,482
Total Project Costs	\$373,195,025	\$149,111,385	\$224,083,640
*Budget shown above is in current dollars anticipated to be collected over the life of TIF District. TIF District Project Plan shows the budget in net present value. **Includes funds expended and committed for existing and future projects as of the end of FY 2022-2023. ¹ TIF District funds allocated for the project may be reduced if other sources of funds are identified and allocated to The Canyon.			

Davis Garden TIF District Project Plan Budget (NPV Values)	
Category	TIF District Budget (NPV)
Infrastructure Improvements	\$33,219,568
Environmental Remediation/Demolition	\$4,300,000
Affordable Housing	\$11,920,435
Historic Façade Restoration	\$1,946,858
TIF District Wide Improvements - Parks, Open Space, Trails, Trolley/Streetcar	\$4,358,953
The Canyon in Oak Cliff Improvements *	\$46,035,132
Administration and Implementation	\$1,877,595
Total Project Costs	\$103,658,541
<i>All values discounted to 2008 dollars at 5% annually. Actual expenditure values will depend on the timing of project costs.</i> <i>* Amount will be reduced if other sources of improvement funds are identified and allocated to The Canyon in Oak Cliff.</i>	

M/WBE Participation

Public bidding is not required for TIF District-funded projects. All TIF District-funded projects must follow the City's adopted Business Inclusion and Development (BID) Plan and make a good faith effort to include certified Minority and Women-Owned Business (M/WBE) participation. The BID Plan goal for TIF District-funded projects was twenty-five percent (25%) M/WBE participation in construction costs of completed public improvements but changed to thirty-two percent (32%) in FY 2020-2021.

Davis Garden TIF District M/WBE Participation			
CONSTRUCTION OF PUBLIC PORTIONS OF PROJECT			
Project	Contractor	Total Contract Award Amount	Percentage Minority Participation
SLF Horizontal Public Improvements (Goal – 25%)	Varies	\$2,080,979	48.43%
Kessler Theater Public Improvements (Goal – 25%)	Varies	\$88,141	44.77%
CONSTRUCTION OF PRIVATE PORTIONS OF PROJECT			
Kessler Theater Private Improvements (Goal – 10%)	Varies	\$1,002,073	12.57%
Total - Public		\$2,169,120	48.28%
Total - Private		\$1,002,073	12.57%
Total – All		\$3,171,193	37.00%

FY 2023-2024 Work Program

The FY 2023-2024 work program for the Davis Garden TIF District includes:

- Encourage development projects within the TIF District in accordance with its Project Plan and Reinvestment Zone Financing Plan.
- Continue annual disbursement of payments to completed TIF District projects in the TIF District.
- Implement the Rosemont Safe Routes to School design/engineering study recommendations and construction of improvements.

Appendix A – Financials

City of Dallas, Texas
 Davis Garden 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>
Assets:					
Pooled cash and cash equivalents	\$4,401,434	\$1,526,810	\$788,033	\$2,220,616	\$2,927,312
Interest receivable	\$0	\$0	\$0	\$0	\$0
Total assets	\$4,401,434	\$1,526,810	\$788,033	\$2,220,616	\$2,927,312
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$848,102	\$1,606	\$0	\$1,648,616	\$2,357,561
Advances from developers	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$252,359	\$181,588	\$121,200	\$92,084	\$20,967
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	\$1,100,461	\$183,193	\$121,200	\$1,740,700	\$2,378,528
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$3,300,974	\$1,343,616	\$666,833	\$479,916	\$548,784
Total Liabilities and Fund Equity	\$4,401,434	\$1,526,810	\$788,033	\$2,220,616	\$2,927,312

City of Dallas, Texas
 Davis Garden 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	\$10,587,758	\$2,451,787	\$1,820,944	\$1,540,431	\$1,308,895	\$1,071,367
Tax increment-Intergovernmental	\$2,497,470	\$585,126	\$445,343	\$393,317	\$345,975	\$212,447
Developer participation/Other income	\$1,000,162	\$0	\$0	\$0	\$0	\$0
Interest income	\$0	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	(\$0)	\$0	\$0	\$0	\$0	\$0
Total revenues	\$14,085,389	\$3,036,913	\$2,266,287	\$1,933,748	\$1,654,870	\$1,283,814
Expenditures:						
Administrative expenses	\$994,300	\$70,771	\$60,388	\$49,173	\$71,246	\$21,145
Non-Capital Outlay	\$6,531,021	\$845,794	\$1,526,910	\$1,155,750	\$0	\$2,008,860
Capital outlay	\$3,259,095	\$162,991	\$2,206	\$541,908	\$1,652,492	\$353,692
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	\$10,784,415	\$1,079,556	\$1,589,503	\$1,746,831	\$1,723,738	\$2,383,697
Excess (Deficiency) of Revenues over Expenditures	\$3,300,974	\$1,957,357	\$676,784	\$186,916	(\$68,868)	(\$1,099,883)
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$1,343,616	\$666,833	\$479,916	\$548,784	\$1,648,667
Fund balance (Deficit) at beginning of year, as restated	\$0	\$1,343,616	\$666,833	\$479,916	\$548,784	\$1,648,667
Fund balance (deficit) at end of year	\$3,300,974	\$3,300,974	\$1,343,616	\$666,833	\$479,916	\$548,784

Note: Fiscal year 2022-23 unaudited financial statements are based on preliminary close numbers and are subject to review by City Controller's Office prior to City Council approval. In case of any material changes, TIF District board will be provided updated financial statements.

City of Dallas, Texas
 Davis Garden Tax Increment Financing District Fund
 Reinvestment Zone Number Sixteen
 As of September 30, 2023

Texas Tax Code Section 311.016 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:

\$0	Interest Income
\$3,036,913	Ad Valorem Taxes (Collected in FY'202-23 based on 2022 Final Tax Roll)
\$3,036,913	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$70,771	Administrative Expense - TIF District admin cost for FY 2022-2023
\$162,991	Capital Outlay *
\$845,794	Non-Capital Outlay **
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
\$1,079,556	Total Expenditures

* Capital Outlay expenditure represents: engineering design, boundary survey of Rosemont Safe Routes to School Project

** Non Capital Outlay expenditure represents: North Oak Cliff Street Car project

3. The zone began reimbursing the General Fund for TIF District administration costs in fiscal year 2009-10.

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

Davis Garden TIF District has incurred no bonded indebtedness as of September 30, 2023.

b. The Zone entered into an agreement with SLF III – The Davis Garden TIF District, L.P. to dedicate an amount not to exceed \$4,008,247 for horizontal development work throughout the TIF District. The project was completed in fiscal year 2012. Payment of its TIF District-eligible project costs are as follows as of September 30, 2023:

*The final TIF District payment for this project of \$24,207.00 was made in fiscal year 2021.

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
SLF III-Davis Garden TIF District	Horizontal Development	\$4,008,247	\$4,008,247	\$0
	Total	\$4,008,247	\$4,008,247	\$0

c. The Zone entered into an agreement with Twelve Hills Nature Center, Inc. to dedicate an amount not to exceed \$118,820 for the Twelve Hills Nature Center's Urban Prairie Trailhead project. The project was completed in fiscal year 2010. This agreement was terminated by Twelve Hills Nature, Inc. on October 18, 2021. No payments were made, and the TIF District funding obligation was also terminated.

d. The Zone entered into an agreement with GFD Opportunity I, LLC to dedicate an amount not to exceed \$1,218,789 for the Taylors Farm project. The project was completed in fiscal year 2012.

*The final TIF District payment for this project of \$471,140.00 was made in fiscal year 2021.

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
TIF District Holdings, LLC	Taylor's Farm Project	\$1,218,789	\$1,218,789	\$0
	Total	\$1,218,789	\$1,218,789	\$0

e. The Zone entered into an agreement with SLF III – The Canyon TIF District, L.P. to dedicate an amount not to exceed \$436,919 for the I-30 Frontage Road Design project. The project was completed in fiscal year 2012.

*The project was fully paid (\$436,919.00) in fiscal year 2021.

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
SLF III - The Canyon TIF District	I-30 Frontage Rd.	\$436,919	\$436,919	\$0
	Total	\$436,919	\$436,919	\$0

f. The Zone entered into an agreement with Kessler Theater, LLC to dedicate an amount not to exceed \$136,343 for the Kessler Theater project. The project has been completed.

*The project was fully paid (\$136,343) in fiscal year 2021.

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
Kessler Theater, LLC	Kessler Theater Project	\$136,343	\$136,343	\$0
	Total	\$136,343	\$136,343	\$0

City of Dallas, Texas

Davis Garden Tax Increment Financing District Fund

g. The Zone entered into a development agreement with GFD Opportunity II, LLC to dedicate an amount not to exceed \$1,600,000 for the Hillside West project. The project was completed in fiscal year 2013. Payment of its TIF District-eligible project costs of \$234,871 was fully paid in fiscal year 2019.

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
HSW TIF District Holdings, LLC	Hillside West	\$234,871	\$234,871	\$0
	Total	\$234,871	\$234,871	\$0

h. The Zone entered into an agreement with SLF III – The Canyon TIF District, L.P. to dedicate an amount not to exceed \$128,875,756 for The Canyon in Oak Cliff project. Payment of its TIF District-eligible project costs will begin after applicable conditions for payment have been met, subject to the availability of TIF District funds.

i. The Zone entered into an agreement with SLF III – The Canyon TIF District, L.P. to dedicate an amount not to exceed \$3,000,000 for the North Oak Cliff Streetcar Extension project. The project agreement was assigned to LMC Canyon Holdings, LLC, dated May 17, 2022. The project is complete and payment of the project's TIF District-eligible project costs are as follows for September 30, 2023:

Developer	Project Name	Principal TIF District Award	Payment To Date	Net Balance Due
LMC Canyon Holdings, LLC	Oak Cliff Streetcar Support	\$3,000,000	\$2,700,000	\$300,000
	Total	\$3,000,000	\$2,700,000	\$300,000

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

Taxing Jurisdiction ¹	Taxable Value 2023 ²	Base Year 1996 Value	Est. Captured Value 2023
City of Dallas - Zone A	\$481,426,995	\$120,395,392	\$361,031,603
City of Dallas-Zone B	\$71,386,771	\$17,439,205	\$53,947,566
Dallas County-Zone A	\$484,536,832	\$120,368,830	\$364,168,002
Dallas County-Zone B	\$71,504,971	\$17,426,885	\$54,078,086

¹2023 taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.

²Based on certified DCAD taxable values. Final values will be determined on February 1, 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:

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

Taxing Jurisdiction	Assessment Per \$100*	Estimated 2023 Increment
City of Dallas - Zone A	0.66213	\$2,390,499
City of Dallas-Zone B	0.66213	\$357,203
Dallas County-Zone A	0.16179	\$589,182
Dallas County-Zone B	0.16179	\$87,492
Total for all Jurisdictions		\$3,424,376

*Participation rate for Dallas County is 0% for tax year 2008, 55% for tax years 2009 to 2011 and 75% thereafter. City of Dallas participates at variable rates as follows:

Tax Year	Rate
2008	0%
2009 - 2010	55%
2011	70%
2012 - 2039	90%

b. The total amount of estimated tax increment to be billed for the 2023 tax year is \$3,424,376. For the 2022 tax year, increment in the amount of \$3,036,913 was received.

City of Dallas, Texas
Davis Garden 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. 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 \$6,759,782 (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 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. "Due to general fund" amount of \$252,359 on September 30, 2023, represents the Zone administration costs for the fiscal year 2018-2019 (\$30,990), fiscal year 2019-2020 (\$40,127), fiscal year 2020-2021 (\$50,083), fiscal year 2021-2022 (\$60,388), and fiscal year 2022-2023 (\$70,771) 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.
6. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B – Financial Obligations/Estimated Payoff

Developer	Project Name	Max. TIF District Funding	Pay-Off Date
SLF III - The Canyon TIF, L.P.	North Oak Cliff Street Car Extension	\$3,000,000	2024
SLF III - The Canyon TIF, L.P.	The Canyon	\$128,875,756	2034

Estimated pay-off dates may change and are subject to the following:

- (1) Changes in increment collected annually;
- (2) Changes in the real property tax rates of participating taxing jurisdictions (City of Dallas and Dallas County);
- (3) Changes in the participation rate of participating taxing jurisdictions; and/or
- (4) Completion dates of projects listed in the TIF District's reimbursement queue

Appendix C – TIF District-Wide Set-Aside Funds

Subject to fulfillment of all its terms, an agreement in support of the North Oak Cliff Streetcar approved pursuant to Resolution Nos. 11-1751 and 11-1752 are intended to be paid from tax increment accruing to the entire TIF District and reserved to the TIF District Wide Set-Aside under the Increment Allocation Policy. Shared increment from Sub-Districts A and B of the Davis Garden TIF District may also be used to make payments pursuant to the agreement in support of the North Oak Cliff Streetcar.