**Exhibit A**

# Grand Park South TIF District
# FY 2022-2023
# Annual Report

**City of Dallas**

Office of Economic Development
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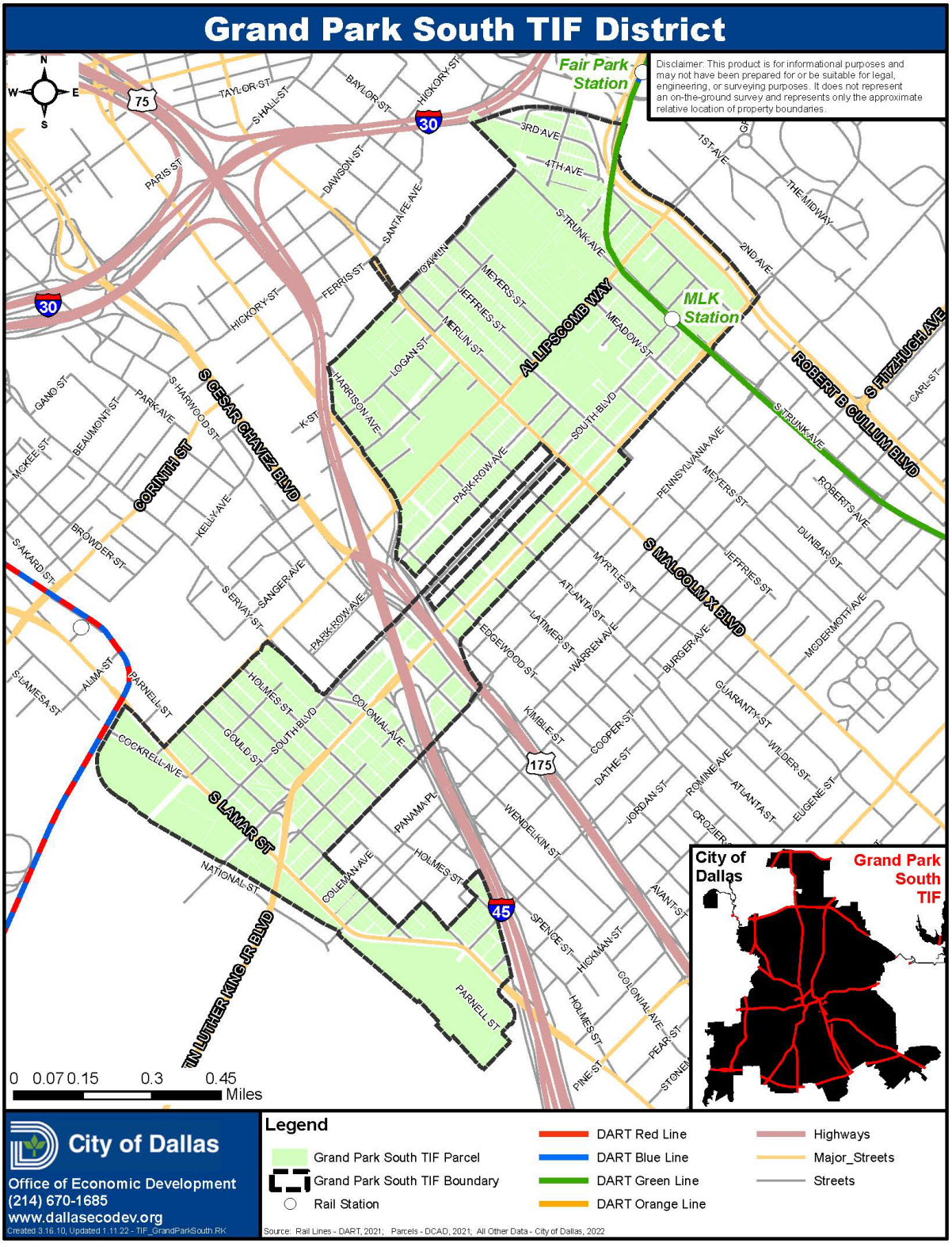
## October 1, 2022 to September 30, 2023

# Reinvestment Zone Number Thirteen
# Tax Increment Financing District



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*Front cover shows a rendering for the Legacy of Hope DFW Project – a proposed redevelopment of the former Forest Avenue Hospital building at 2516 Martin Luther King Jr. Boulevard.*

# Mission Statement

The mission of the Grand Park South TIF District is to provide a source of funding for public investments necessary to enhance the real estate market for the Grand Park South TIF District area. The Grand Park South TIF District represents the outgrowth of the City of Dallas effort to provide a model for redeveloping a former residential area in decline to take full advantage of the expanding DART light rail system, to promote transit oriented development in the historical context of the neighborhood, to implement appropriate urban design standards, and to improve the quality of development south of downtown.

The Dallas City Council established the Grand Park South TIF District by Ordinance Number 26147 on October 26, 2005. The Grand Park South District took effect on January 1, 2006 and is scheduled to terminate on December 31, 2035 (including collection of the 2035 increment in calendar year 2036 and any related matters to be concluded in 2036) or when the budget of $29.8 million (2006 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City's participation is 90%, and the County's participation is 65%.

# TIF District Accomplishments

The Grand Park South TIF District (TIF District) is composed of neighborhoods to the south of Fair Park including the Al Lipscomb Way, Martin Luther King, Jr. Boulevard, and Malcolm X Boulevard corridors. The TIF District exhibits deteriorated structures, inadequate sidewalks and streets, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of the City and property within the area. The TIF District's strengths include the following:

- Proximity to downtown
- Adjacency to Fair Park
- J.B. Jackson Transit Center which includes DART's Green Line MLK Station
- South Boulevard – Park Row Historic District
- Includes the intersection of Malcolm X and Martin Luther King, Jr. Boulevards, one of only a few such intersections in the country.

In March 2021, the TIF District's Board of Directors (Board) approved Urban Design Guidelines for Projects located in Tax Increment Financing Districts to be applied to the Grand Park South TIF District. In June 2021, the Board reviewed a request by the City's Transportation Department in an amount not to exceed $500,000 for a public street lighting improvement project and recommended City Council approval. The item was approved by City Council in October 2021. The public street lighting improvement project was completed in April 2022.

During 2021, the Board also reviewed and recommended approval of an amendment to increase the geographic area of the TIF District by approximately 151 acres in an area

contiguous to the current TIF District and bounded by Al Lipscomb Way, South Ervay Street, South Boulevard, Pennsylvania Avenue, and Botham Jean Boulevard. No changes to the TIF District budget were recommended. The amendment was approved by City Council in December 2021.

During 2023, the Board reviewed and recommended approval of a development agreement with Vector Studies, LLC for TIF District funding support up to $2,308,210 for the Legacy of Hope DFW Project, a proposed redevelopment of the former Forest Avenue Hospital building at 2516 Martin Luther King Jr. Boulevard. City Council authorized the agreement in June 2023 as the first TIF District-funded development project in this TIF District. The Board also approved Grant Program Guidelines and an Increment Allocation Policy for the TIF District.

Although the pace of new development has been slower than originally anticipated, some development activity has occurred in the TIF District as noted in the chart below. Staff will continue to explore options to encourage more development.

# Current Development Status in the District
# Grand Park South TIF District Projects

| Grand Park South TIF District – Past, Current and Anticipated Projects[1] | | | | | | |
|---|---|---|---|---|---|---|
| **Projects Within TIF District Utilizing TIF District Funding** | | | | | | |
| **Project** | **Location** | **Units/SF[2]** | **Status** | **Year Complete** | **Approx. Investment[3]** | **TIF Investment[4]** |
| Legacy of Hope | 2516 MLK Jr. Blvd. | 15,153 sf | Approved | 2026 | $3,600,000 | $2,308,210 |
| **Subtotal** | **15,153 sf commercial space** | | | | **$3,600,000** | **$2,308,210** |
| | | | | | | |
| **Projects Within TIF District Not Utilizing TIF District Funding** | | | | | | |
| **Project** | **Location** | **Units/SF[2]** | **Status** | **Year Complete** | **Approx. Investment[3]** | **TIF Investment[4]** |
| Fair Park Estates, Phase I | Malcolm X Blvd. & Park Row Avenue; South Blvd. & Jefferies St. | 30 houses | Completed | 2014 | $3,998,934 | $0 |
| Fair Park Estates, Phase II | | 13 houses | Completed | 2017-2020 | $2,639,126 | $0 |
| Urban Mixed-Use, LLC Ph I Project (*3221 Flats*) | 3221 Elihu Street | 38 apartments | Complete | 2014 | $4,500,000 | $0 |
| O'Reilly Auto Parts | 3109 MLK Jr. Blvd. | 6,000 sf | Complete | 2013 | $1,271,360 | $0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Billy Earl Dade Middle School | 2727 Al Lipscomb Way | 213,616 sf | Complete | 2013 | $32,182,840 (Non-Taxable) | $0 |
| Office Building (Social Security Admin – tenant) | 2530 Malcom X Blvd. | 12,288 sf | Complete | 2014 | $4,270,340 | $0 |
| Two Podners Restaurant/Retail[(5)] | 1441 Robert Cullum Blvd. | 10,702 sf | Complete | 2017 – Restaurant 2021 - Retail | $2,431,720 | $0 |
| South Side Apts. (*remodel of former lodge*) | 3020 South Blvd. | 6 apartments | Complete | 2020 | $596,350 | $0 |
| Fair Park Moderns Condos Phase I | 3231 Elihu St. | 5 condo units | Complete | 2021 | $1,713,408 | $0 |
| The Crossing[5] | 2839 South Ervay St. | Phase 1 – 2,000 square feet laundromat; Phase 2 – 3,000 square feet community market & kitchen | Phase 1 – Complete Phase 2 – Complete | 2023 | $257,390 | $0 |
| 1632 MLK retail building[5] | 1632 MLK Blvd. | 12,000 square feet retail | Under renovation | 2024 | $1,500,000 | $0 |
| Forest Theater | 1914-1920 MLK Jr. Blvd. | 64,000 square feet theater/retail space | Planned for renovation | 2025 | $53,000,000 | $0 |
| | | **Subtotal** | **44 apartments, 43 single-family houses, and 5 condo units; 97,702 sf retail/commercial; 12,288 sf office space** | | **$76,178,628** | **$0** |
| **Projects Utilizing and Not Utilizing TIF District Funding** | | | | | | |
| | | | | **Total** | **$79,778,628** | **$2,308,210** |
| | | | | **44 apartments, 43 single-family houses, and 5 condo units** | **Completed** | |
| | | | | **21,702 square feet retail/commercial space** | **Completed** | |
| | | | | **12,288 square feet office** | **Completed** | |
| | | | | **213,616 square feet Middle School** | **Completed (non-taxable)** | |
| | | | | **91,153 square feet retail/commercial** | **Planned/Under renovation** | |

*[1] All information updated as of September 30, 2023.*

*[2] Based upon either the TIF application or required minimum stated in the development agreement. May be updated for completed projects based on actual unit mix and square footage.*

*[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 and/or the demolition of structures is netted out.*

*[4] TBD indicates that development agreement has not yet been executed and TIF investment is yet to be determined.*

*[5] Includes other incentives not shown. Contact City of Dallas Office of Economic Development for more information.*

# 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, there are no TIF District-funded residential projects.

A total of 44 apartments, 43 single-family houses, and 5 condominium units have been completed. The current market rents may be affordable relative to area median family income levels. There are potentially additional units using other incentives in the pipeline over the next several years. The City's Housing and Neighborhood Revitalization Department has been coordinating with the Dallas Housing Foundation and Texas Community Builders on the development of single-family lots in the Jeffries-Meyers area with pre-development activities including environmental assessments underway.

# Value and Increment Revenue Summary

The Grand Park South TIF District's 2023 certified taxable value was $166,967,845 (and slightly varies for other taxing jurisdictions due to exemption levels). This represents an increase of $87,903,269 (111%) over the base year (2005 and 2021), as amended and an increase of $19,704,429 (13%) from the previous year. In FY 2023-2024, the TIF District anticipates collecting approximately $706,433 in incremental tax revenue for tax year 2023.

# Objectives, Programs and Success Indicators

The Grand Park South TIF District Project Plan and Reinvestment Zone Financing Plan was adopted in 2005 and amended in 2021. The Plan's development goals are provided below:

- Create additional taxable value attributed to new private investment in projects in the Grand Park South TIF District totaling approximately $579 million.

  *Property values in the TIF District have begun to increase slowly. Nearly $80 million in growth has occurred or is anticipated since the TIF District's creation in 2005 and amendment in 2021.*

- Encourage transit-oriented development within the TIF District. This includes the creation of a new town center in proximity to DART's MLK Green Line station while providing access and connections to the station that will allow ridership to exceed over 2,400 per day by 2015.

  *The Green Line's MLK and Fair Park stations opened in September 2009 with an aim toward setting the stage for transit-oriented development throughout the TIF District. The COVID-19 pandemic negatively impacted*

*transit ridership in 2020 and 2021; however, recovery has continued based on the 2023 ridership figures.*

*The annualized ridership for FY 2023 for the MLK station is 380,583, according to DART. This represents a 60% increase over the base year (FY 2010) and 5% increase from last year. Average daily ridership is 1,163 (a 14% increase from last year).*

*The annualized ridership for FY 2023 for the Fair Park station is 335,714, according to DART. This represents a 14% decline over the base year (FY 2010) and 2% increase from last year. Average daily ridership is 888 (a 5% increase from last year). Staff will continue to monitor ridership trends.*

MLK station

- Attract new private development in the TIF District totaling approximately 2,400 residential units by 2035, including development of new single-family homes, mid-rise residential, such as townhomes, and higher density residential near the MLK Green Line station, while preserving and restoring historic single-family residences.

  *The Fair Park Estates project located along Park Row, Malcolm X Boulevard, South Boulevard, and Jeffries Street has resulted in 43 residential units. Urban Mixed Use LLC completed 38 multifamily units in 2016. The South Side Apartments created 6 apartment units from the remodel of a former lodge. Fair Park Moderns Condos Phase I has brought 5 units to the market. To date, 92 units in total have been completed or planned (3.8% of the goal).*

Examples of multifamily and single-family development. Urban Mixed Use LLC's 3221 Flats (left) and South Fair CDC's Fair Park Estates homes (right)

- Diversify housing options within the TIF District by providing various types of housing, including townhome, multi-family, and single-family projects, at a range of price points including approximately 20% of new units at or below 80% of Area Median Income (AMI) and 80% of new units at market rate. Replace existing multi-family housing stock in substandard condition (approximately 500 units) with new residential development at 60% of Area Median Income. Expand homeownership opportunities in the TIF District.

  *There is an ongoing effort to provide a variety of housing options within the Grand Park South TIF District, especially needed market rate housing.*

  *On January 11, 2012, the City approved 2006 bond funding and the use of CDBG grant funds for the Urban Mixed Use LLC. Phase 1 located at 3221 Elihu Street (now called 3221 Flats) with 38 units completed in 2014.*

  *In 2018, City Council adopted a Citywide comprehensive housing policy and subsequently in April 2023 adopted "Dallas Housing Policy 2033". Future development in the Grand Park South area has the potential to support goals for expanding housing opportunities.*

- Grow and diversify retail and commercial uses within the TIF District. Consolidate new retail and other commercial activities to support a new town center in proximity to the MLK Green Line station; create a neighborhood retail center in proximity to the Al Lipscomb Way and Malcolm X Boulevard intersection; enhance retailing opportunities and design through infill development along Martin Luther King, Jr. Boulevard, and, in some cases, convert existing retail and commercial buildings to residential uses. Attract 300,000 square feet of retail space and 150,000 square feet of office or other commercial space in new private development by 2035.

*Completed commercial development includes a 12,288 square foot office building and 21,702 square feet of retail/commercial space. The 3,000 square foot community kitchen named the "South Dallas Cloud Kitchen" as part of The Crossing project opened in 2023. Other projects in the pipeline include a retail building renovation at 1632 MLK Boulevard and planning for the restoration of the Forest Theater.*

A ribbon cutting for Cornerstone's South Dallas Cloud Kitchen was held August 25, 2023

- Expand parks and open space within the TIF District by encouraging the development of both private and public parks and open space, such as pocket parks, plazas, courtyards, and recreation areas, within walking distance (1/4 mile) of new residential development, especially new mid- and high-density residential development.

  *During FY 2012, the City installed shared lane markings to encourage bicycling on Martin Luther King, Jr. Boulevard from Fair Park to Julius Schepps Freeway. The long-term plan is for this shared lane to connect to future bicycle facilities on the Cedar Crest Bridge.*

  *$1.4 million in Complete Streets improvements on Martin Luther King, Jr. Boulevard from Robert B. Cullum to S.M. Wright Freeway was completed in 2023.*

- Improve security and safety through pedestrian lighting and design that encourages "eyes on the street."

  *During FY 2021-2022, the TIF District funded $500,000 towards a public street lighting improvement project including new and upgraded lighting along portions of Park Row Avenue, South Boulevard, Jeffries Street, and*

*Meadow Street to assist in implementing public safety strategies identified by the Mayor's Task Force on Safe Communities. The project was completed in April 2022.*

New streetlighting installed in 2022 shown in daytime and evening

- Generate approximately $30.3 million (net present value) in increment over 25 years of collection.

  *The TIF District's assessed property value has increased from its 2005/2021 adjusted base year value. It has to-date increased 111% from the adjusted base year value. The cumulative increment collection to-date is $2,154,837 (7% of the goal).*

## Year-End Summary of Meetings

The Grand Park South TIF District Board of Directors met twice during the fiscal year from October 1, 2022 to September 30, 2023. The Board approved and forwarded two items to City Council.

The Board, based on amended composition, can consist of up to seven members, including six City of Dallas appointees and one Dallas County appointee. During FY 2022-2023, the Board members were (FY 2022-2023 Board meetings attended): Michael Hubbard, Chair – City Representative (2 of 2 meetings); Jason Brown, Vice-Chair – City Representative (2 of 2 meetings); Sheri Mixon – City Representative (0 of 2 meetings); Eva Taylor-Jones - City Representative, (1 of 2 meetings)*;* and Luis Tamayo - Dallas County Representative (2 of 2 meetings).

The Dallas City Council approved three items during the fiscal year directly related to the TIF District or other economic development incentives. The items are summarized below:

- On February 22, 2023, Resolution No. 23-0307 accepted the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Thirteen, (Grand Park South TIF District), and authorized 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.

- On June 14, 2023, Resolution No. 23-0826 authorized a development agreement and all other necessary documents with Vector Studies LLC and/or its affiliates in an amount not to exceed $2,308,210, payable from current and future Grand Park South TIF District funds, in consideration of the Legacy of Hope DFW redevelopment project on property currently addressed at 2516 Martin Luther King Jr. Boulevard in Tax Increment Financing Reinvestment Zone Number Thirteen (Grand Park South TIF District) - Not to exceed $2,308,210.00 - Financing: Grand Park South TIF District Fund (subject to annual appropriations from tax increments).
- On June 14, 2023, Resolution No. 23-0794 authorized an amendment to the Chapter 380 Economic Development Grant Agreement and all other necessary documents with 1632 MLK LLC, previously authorized on October 28, 2020, by Resolution No. 20-1731 to extend all material dates and deadlines by twelve months due to force majeure as the result of environmental remediation related to the redevelopment of a commercial building located at 1632 Martin Luther King Boulevard.

## Pending TIF District Items

- Consideration of the FY 2022-2023 TIF District Annual Report and a recommendation to the City Council for approval.

## Budget and Spending Status

The TIF District's budget and spending to date are provided below:

| Grand Park South TIF District Project Plan Budget (NPV Values) | |
|---|---|
| **Category** | **TIF Budget (NPV)** |
| Infrastructure Improvements | $15,219,872 |
| Environmental Remediation | $7,192,554 |
| Façade Restoration | $2,226,746 |
| Parks, Open Space, and Signature Entries | $2,412,308 |
| Grant or Loan Programs | $1,670,060 |
| Administration and Implementation | $1,577,279 |
| **Total Project Costs (excluding interest)** | $30,298,818 |
| *All values discounted to 2006 dollars at 5% annually. Actual expenditure value will depend on timing of the project costs* | |

| Grand Park South TIF District Project Plan Budget<br>Projected Increment Revenues to Retire TIF Fund Obligations | | | |
|---|---|---|---|
| **Category** | **TIF Budget*** | **Allocated**** | **Balance** |
| Infrastructure Improvements | $74,255,552 | $600,000 | **$73,655,552** |
| Environmental Remediation | $7,372,891 | $88,613 | **$7,284,278** |
| Façade Restoration | $5,529,669 | $233,945 | **$5,295,724** |
| Parks, Open Space, and Signature Entries | $10,532,703 | $0 | **$10,532,703** |
| Grant or Loan Programs | $1,579,904 | $1,885,652 | **-$305,748** |
| Administration and Implementation | $6,056,304 | $520,874 | **$5,535,430** |
| **Total Project Costs (excluding interest)** | **$105,327,023** | **$3,329,084** | **$101,997,939** |

**A Plan amendment will likely be considered in the near future that includes a budget adjustment for the grant and loan program category.*

***TIF District administration costs shown are expended through FY 2022-2023.*

***Budget shown above in estimated current dollars; however, based on updated development assumptions the maximum budget capacity provided in the Project Plan is unlikely to be reached within the term. The TIF District Project Plan shows the budget in net present value. Values above do not include interest payments or receipts.*

# FY 2023-2024 Work Program

The FY 2023-2024 work program for the Grand Park South TIF District includes:

- Encourage development projects within the TIF District.
- Investigate additional sources of funding for the TIF District.
- Evaluate the potential for Project Plan budget amendments.
- Continue to provide staff support for the City's Brownfield's Redevelopment Program that targets the South Dallas/Fair Park community in revitalizing priority brownfields.

# Appendix A: Financials

**City of Dallas, Texas**
**Grand Park South Tax Increment Financing District Fund**
**Reinvestment Zone Number Thirteen**
**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:**

| | |
|---|---|
| 19,816 | Interest Income |
| $600,310 | Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll) |
| $620,126 | **Total Revenue** |

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

| | |
|---|---|
| $76,022 | Administrative Expense - TIF admin cost for FY 2022-2023 |
| $0 | Non-Capital Outlay |
| $0 | Capital outlay |
| $0 | Additional Subsidy in Form of Grant (in lieu of interest expense) |
| $76,022 | **Total Expenditures** |

3. The Zone began reimbursing the General Fund for administrative costs incurred through fiscal year 2008-09.

4. **a. Amount of Principal and Interest due-on outstanding indebtedness:**
Grand Park South TIF District has incurred no bonded indebtedness as of September 30, 2023.

**b.** The Zone authorized a development agreement with Vector Studies LLC for the Legacy of Hope DFW Project project in an amount not to exceed $2,308,210. As of September 30, 2023, the development agreement is not yet executed.

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

| Taxing Jurisdiction | Taxable Value 2023* | Base Year 2005/2022 Value | Est. Captured Value 2023** |
|---|---|---|---|
| City of Dallas | $166,967,845 | $79,064,576 | $87,903,269 |
| Dallas County | $167,784,061 | $79,064,576 | $88,719,485 |

*2023 taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.
**Based on Certified Taxable Value. The final values will be determined on February 01, 2024.

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

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 | $582,034 |
| Dallas County | 0.14022 | $124,400 |
| Total for all Jurisdictions | $0.80235 | $706,433 |

***Participation rates for City of Dallas and Dallas County are 90% for tax years 2007-2035 and 65% for tax years 2007-2026 respectively.

B. The total amount of estimated tax increment to be billed in 2024 for the 2023 tax year is $706,433. For the 2022 tax year, increment in the amount of $600,310 was received in 2023.

**City of Dallas, Texas**
**Grand Park South 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)**

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Pooled cash and cash equivalents | $1,395,133 | $805,207 | $1,017,640 | $743,284 | $525,784 |
| Interest receivable | $7,495 | $1,325 | $213 | $573 | $570 |
| Total assets | $1,402,628 | $806,532 | $1,017,854 | $743,857 | $526,354 |
| Liabilities and Fund Balance (Deficit): | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | $0 | $0 | $0 | $0 | $0 |
| Advances from developers | $0 | $0 | $0 | $0 | $0 |
| Deferred tax revenue | $0 | $0 | $0 | $0 | $0 |
| Due to general fund | $236,985 | $184,994 | $125,003 | $82,444 | $17,832 |
| Total liabilities | $236,985 | $184,994 | $125,003 | $82,444 | $17,832 |
| Fund Balance (Deficit): | | | | | |
| Fund Balance (Deficit) | $1,165,642 | $621,538 | $892,851 | $661,413 | $508,522 |
| Total Liabilities and Fund Equity | $1,402,628 | $806,532 | $1,017,854 | $743,857 | $526,354 |

**Grand Park South 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)**

| | ITD | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Tax increment-Governmental | $1,790,962 | $501,959 | $248,112 | $236,163 | $173,986 | $141,243 |
| Tax increment-Intergovernmental | $363,875 | $98,350 | $52,860 | $54,283 | $36,418 | $31,032 |
| Interest income | $60,637 | $33,828 | $3,737 | $2,546 | $5,466 | $7,195 |
| Net increase (decrease) in fair value of inves | ($28,958) | ($14,012) | ($16,030) | ($1,198) | $1,634 | $2,038 |
| Total revenues | $2,186,516 | $620,126 | $288,678 | $291,794 | $217,503 | $181,508 |
| Expenditures: | | | | | | |
| Administrative expenses | $520,874 | $76,022 | $59,991 | $60,356 | $64,612 | $17,876 |
| Non-Capital Outlay | $500,000 | $0 | $500,000 | $0 | $0 | $0 |
| Capital outlay | $0 | $0 | $0 | $0 | $0 | $0 |
| Interest and fiscal charges | $0 | $0 | $0 | $0 | $0 | $0 |
| Total expenditures | $1,020,874 | $76,022 | $559,991 | $60,356 | $64,612 | $17,876 |
| Excess (Deficiency) of Revenues over Exper | $1,165,642 | $544,104 | ($271,313) | $231,438 | $152,891 | $163,631 |
| Fund balance (Deficit) at beginning of year as previously reported | $0 | $621,538 | $892,851 | $661,413 | $508,522 | $344,891 |
| Fund balance (Deficit) at beginning of year, as restated | $0 | $621,538 | $892,851 | $661,413 | $508,522 | $344,891 |
| Fund balance (deficit) at end of year | $1,165,642 | $1,165,642 | $621,538 | $892,851 | $661,413 | $508,522 |

**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.**

City of Dallas, Texas
Grand Park South 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 $5,863,846 over the life of the Zone to reimburse the city for administrative costs. The Zone began reimbursing the General Fund for costs incurred through fiscal year 2008-09. 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 $236,985 on September 30, 2023, represents the Zone administration costs for the fiscal year 2018-2019 ($3,932), fiscal year 2019-2020 ($36,649), fiscal year 2020-2021 ($60,391), fiscal year 2021-2022 ($59,991), and fiscal year 2022-2023 ($76,022) that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF 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

A development agreement has been authorized for The Legacy of Hope DFW Project for up to $2,308,210 in TIF District funding. Pending execution of the agreement and successful completion of the Project, full payoff is estimated by 2026.

# Appendix C – District-Wide Set-Aside Funds

There are currently no district-wide set-aside funds.