

Exhibit A

Sports Arena TIF District FY 2021-2022 Annual Report



Medialon 2007



City of Dallas

Office of Economic Development

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Dallas, Texas 75201

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<http://www.dallas-ecodev.org/>

October 1, 2021 to September 30, 2022

Amended Reinvestment Zone Number Seven Sports Arena Tax Increment Financing District

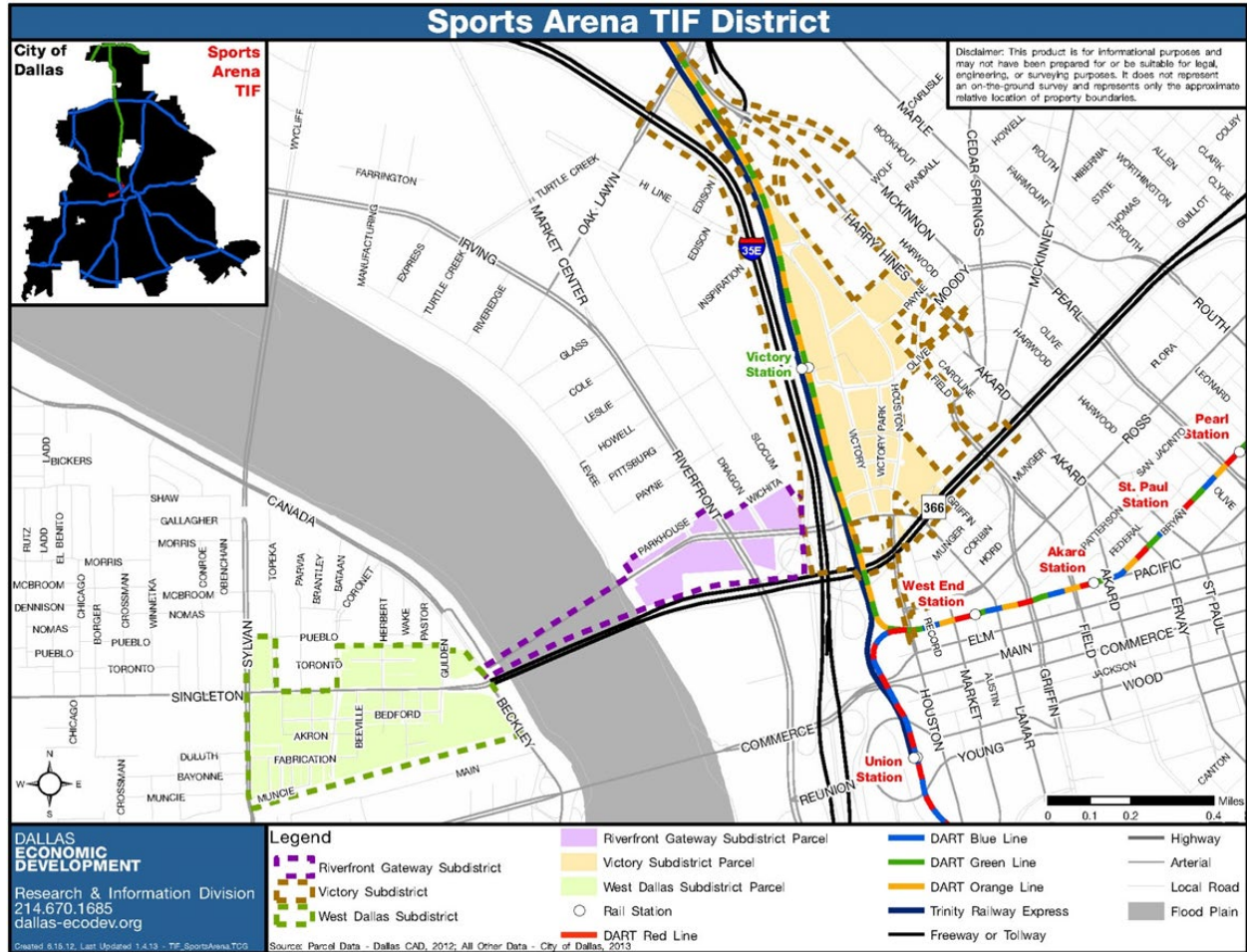


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Mission Statement

The mission of the Sports Arena TIF District (“TIF District” or “Zone”) is to generate tax increment sufficient enough to reimburse costs of roadway improvements and other public improvements in the TIF District that were beneficial to the redevelopment of the area around the American Airlines Center (“AAC”). The mission of the TIF District was amended in 2012 to provide a means of funding needed improvements to shift AAC event parking from surface parking lots to structured parking within the Victory area, facilitate redevelopment in West Dallas that currently serves as a gateway from the west to the Victory area, improve occupancy rates of retail space in the Victory area and create new retail opportunities in the West Dallas area.

Dallas City Council created the Sports Arena TIF District (Reinvestment Zone Number Seven) by Ordinance No. 23688 on October 28, 1998. The TIF District took effect January 1, 1999 and its original termination date was December 31, 2018, or when all TIF District project costs and any interest on these costs were paid in full. The termination date of the TIF District was extended by 10 years to December 31, 2028 on May 23, 2012, by Ordinance No. 28672. Also, in 2012, the TIF District’s boundary was expanded to create three sub-districts. The original boundary of the TIF District became the Victory Sub-district, and the Riverfront Gateway and West Dallas Sub-districts were created.

The City of Dallas participation rate in all three sub-districts is 90%. Dallas County’s participation rate in the Victory Sub-district is 45%, while the participation rate for the Riverfront Gateway and West Dallas Sub-districts is 55%.

TIF District Accomplishments

Since its inception, the Sports Arena TIF District has leveraged approximately \$2.4 billion in new development completed or under construction through fiscal year 2022. TIF District development includes 5,458 residential units, 251 hotel rooms, 454,200 square feet of retail space, and 1,421,000 square feet of office space (includes 436,000 square feet of planned office space).

Sports Arena TIF District Projects						
Projects Located Within the TIF District Utilizing TIF District Funding¹						
Project	Location	Calendar Year Complete	Status	Units/ SF²	Approx. Value³	TIF District Investment
TIF Infrastructure		2001	Complete	-	-	\$23,900,000
South Parking Garage ⁴	2401 Victory Park Ln	2014	Existing	425 Parking Spaces	\$18,974,440	\$12,825,000
North Parking Garage ⁴ (city-owned)	2503 Victory Ave	2015	Complete	1,200 Space Parking Garage	\$26,790,830	\$33,271,841
Victory Park Lane Improvement Project	Victory Park Ln	2016	Complete	-	-	\$1,226,500
Olive Street Improvement Project	Olive St	2016	Complete	-	-	\$825,100
Two-Way Conversion (Houston St & Victory Ave)	Houston St & Victory Ave	2016	Complete	-	-	\$3,718,000
Trinity Groves – Restaurant Incubator	3011 Gulden Ln	2016	Complete	106,000 sf retail/restaurant space	\$7,810,700	\$3,505,000
Placemaking Project	Olive St., Victory Ave, Houston St, Victory Park Ln	2017	Complete	-	-	\$5,974,804
Cypress at Trinity Groves	320 Singleton Blvd	2018	Complete	352 apts. 34,200 sf retail	\$66,706,700	\$13,950,000
District Wide Retail Project	Victory Park Lane	2019	Complete	45,000 sf retail	\$17,796,062	\$3,500,000
Hi Line Connector Trail Project	Houston St, Victory Ave, Hi Line Dr	2025	Under Design	-	\$22,191,588	\$11,562,124
			Sub-total	352 res. units 1,625 parking spaces 185,200 sf retail	\$220,851,970	\$114,258,369
Projects Located Within the TIF District Not Utilizing TIF District Funding¹						
American Airlines Center ⁴	2500 Victory Ave	2001	Complete	840,000 sf entertainment space	\$284,104,160	\$0
Center Operating Company	2427 N. Houston St	2001	Complete	parking garage	\$3,816,450	\$0
Platinum Parking Garage	1620 Lyte St.	2001	Complete	2,000 space parking garage	\$49,541,340	\$0
W Dallas Victory Hotel & Residences	2408, 2430 & 2440 Victory Park Ln.	2006	Complete	145 condos 251 hotel rooms 42,500 sf retail	\$172,486,457	\$0
The Terrace	2323 N. Houston St	2006	Complete	97 condos 24,000 sf retail	\$33,334,270	\$0
The Vista	2345 N. Houston St	2007	Complete	127 apts 28,000 sf retail	\$35,150,000	\$0
Victory Plaza Buildings	3030 & 3090 Nowitzki Way	2007	Complete	65,000 retail 155,000 sf office	\$67,908,910	\$0
Cirque	2500 N Houston St	2008	Complete	252 apts 11,000 sf retail	\$85,000,000	\$0

One Victory Park	2323 Victory Ave	2008	Complete	9,000 sf retail 430,000 sf office	\$182,422,820	\$0
The House by Starck & Yoo	2200 Victory Ave	2009	Complete	150 condos 30,000 sf retail	\$105,563,516	\$0
Arpeggio Victory Park	2425 Victory Ave	2014	Complete	378 apts	\$74,875,590	\$0
Moda	1855 Payne St	2014	Complete	263 apts 3,500 sf retail	\$48,203,300	\$0
SkyHouse Dallas	2320 N. Houston St	2015	Complete	336 apts 5,000 sf retail	\$77,250,000	\$0
Camden Victory Park	2823 N. Houston St.	2016	Complete	425 apts	\$93,000,000	\$0
The Ascent	2588 N. Houston St.	2017	Complete	302 apts 3,000 sf retail	\$104,000,000	\$0
Victory Place	1701 Payne St.	2017	Complete	352 apts 3,000 sf retail	\$90,000,000	\$0
The Katy	1400 Alamo St. 3111 N. Houston St.	2018	Complete	461 apts 2,000 sf retail	\$153,385,000	\$0
The 23 Dallas	2100, 2370 Victory Ave	2018	Complete	285 apts 23,000 sf retail 44,000 sf cinema	\$95,584,660	\$0
Trinity Groves Residential II	411 Broadway Ave	2019	Complete	296 apts 10,000 sf retail	\$52,248,690	\$0
The Victor	3090 Nowitzki Way	2021	Complete	334 apts 10,000 sf retail	\$50,000,000	\$0
Victory Commons	2601 Victory Ave	2021	Complete	400,000 sf office	\$140,000,000	\$0
Trinity Groves Residential III	500 Singleton Blvd	2023	Under Construction	368 apts	\$60,000,000	\$0
505 Riverfront Blvd	505 Riverfront Blvd	2024	Under Construction	535 apts	\$100,000,000	\$0
Hines Office Bldg	2371 Victory Ave	TBD	Announced	436,000 sf office	\$70,000,000	\$0
			Sub-total	5,106 res. units 251 hotel rooms 269,000 sf retail 1,421,000 sf office 884,000 sf entertainment 2,000 spaces parking garage	\$2,227,875,163	\$0
			Total	5,458 res. units 251 hotel rooms 454,200 sf retail 1,421,000 sf office 884,000 sf entertainment 3,625 spaces parking garage	\$2,444,752,693	\$114,258,369

¹ All information updated as of September 30, 2022.

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

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

⁴ Tax exempt property.

Projects Adjacent to TIF District ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF District Investment
Perot Museum of Nature and Science ⁴	2201 N. Field St.	2012	Complete	180,000 sf	\$137,294,800	\$0
The Alexan Skyline Apartments	3333 Harry Hines Blvd	2016	Complete	365 apts 6,410 sf retail	\$63,181,750	\$0
CVS	2501 N. Field St.	2016	Complete	10,000 sf retail	\$6,102,460	\$0
				365 apts; 196,410 sf retail	\$206,579,010	\$0
Total						
¹ All information updated as of September 30, 2022.						
² Based upon information from developer, news articles and/or project announcements. For completed projects, information is actual unit mix and square footage.						
³ Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction or announced.						
⁴ Tax exempt property.						

TIF District Initiatives				
Activity	Scope	Status	Investment	Source
Orange Roadways	Improvements to Houston St, McKinney Ave., Ross Ave., Continental Ave., Lamar Street and Wichita St.	Complete	\$20,988,088	TIF District Funding
Woodall Rodgers Plaza	Improvements to Woodall Rodgers Plaza between McKinney Ave., Continental Ave., and Houston Street	Complete	\$2,000,000	TIF District Funding
District Wide Technical Studies	Parking, traffic, vehicular and pedestrian circulation, place making and retail design for Victory Sub-district	Complete	\$700,000	TIF District Funding
Central Core Connector Project (Dallas Bikeway System)	Bikeway program implemented through the use of shared lanes on roadways going through the American Airlines Center/Victory area, the West End, Downtown, and Deep Ellum.	Phase I Complete	\$90,452 Total (Downtown Dallas Inc. - \$41,000; City of Dallas Streets Department - \$12,188; TIF District Funding - \$37,264 – divided by four TIF districts)	TIF District Funding (Deep Ellum, City Center, Downtown Connection and Sports Arena TIF Districts) & Downtown Dallas, Inc.
Other Initiatives				
Victory Sustainable Development Project	Victory Park Lane, DART Street, Laws Street, and related public improvements, including lighting improvements to the Katy Trail.	Roadway construction completed November 2007. Katy Trail lighting completed August 2009	\$8,505,000	NCTCOG Sustainable Development Funds and developer match

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. In 2012, the TIF District's project plan was amended to add the requirement of mixed-income housing for residential projects receiving TIF District funding. 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. Since 2012, only one residential project in the TIF District received funding, Cypress at Trinity Groves. Of the 352 residential units constructed, 70 units (20%) have been set-aside as affordable.

Value and Increment Revenue Summary

The base value of the TIF District is the total appraised value of all taxable real property in the TIF District, as determined by the Dallas Central Appraisal District's certified property tax roll for the base year. The base value is established the year a property is placed within TIF District boundaries.

The Sports Arena TIF District's original assessed 1998 base tax value was \$16,423,773. The TIF District's financing plan was amended in 2012 to create three sub-districts: Victory, Riverfront Gateway, and West Dallas. As a result, each sub-district has its own base year value.

Victory Sub-district – In 2012, the Victory Sub-district's amended base value was \$33,515,323. The sub-district's certified appraised value in 2022 was \$1,781,649,727, an increase of \$213,833,967 (13.6%) from the sub-district's 2021 final value (\$1,567,815,760). This increase will result in an estimated collection in 2023 of approximately \$13,083,974 (City \$11,733,828; County \$1,350,146) in incremental revenue.

Riverfront Gateway Sub-district – In 2012, the Riverfront Gateway Sub-district's base value was \$18,624,970. The sub-district's appraised certified value in 2022 was \$36,308,070, an increase of \$3,715,210 (11.4%) from the sub-district's 2021 final value (\$32,592,860). This increase will result in an estimated collection in 2023 of approximately \$139,889 (City \$118,693; County \$21,197) in incremental revenue.

West Dallas Sub-district – In 2012, the West Dallas Sub-district's base value was \$11,590,076. The sub-district's appraised certified value in 2022 was \$180,462,870, an increase of \$27,085,625 (17.7%) from the sub-district's 2021 final value (\$153,377,245). This increase will result in an estimated collection in 2023 of approximately \$1,335,936 (City \$1,133,508; County \$202,428) in incremental revenue.

The TIF District's (all sub-districts) total value in 2022 was \$1,998,420,667, an increase of \$244,634,802 (14%) from the final 2021 total district value (\$1,753,785,865). This

increase in total district value will result in an estimated collection in 2023 of approximately \$14,559,799 in total incremental revenue for the Sports Arena TIF District.

Objectives, Programs, and Success Indicators

The original Sports Arena TIF District Project and Reinvestment Zone Financing Plan was adopted August 25, 1999. In 2012, the TIF District's Project and Reinvestment Zone Financing Plan was amended, and the goals and objectives were revised to include additional public improvements as well as private development.

Specific actions addressing these objectives follow in italics:

- Attract 250,000 square feet of additional retail space.

Approximately 454,000 square feet of retail space (includes restaurant and theater space) completed, continued or began construction within the TIF District since 1998 (182% of the total goal).

- Attract 3,000 additional residential units including town home, multifamily and condominium units.

The Trinity Groves Residential Phase III project (368 residential units) in the West Dallas Sub-district continued construction during the fiscal year. The 505 Riverfront project (535 residential units) started construction during the fiscal year.

In total 5,458 residential units have completed construction or are currently under construction (182% of the total goal) since 1998.

- Increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the Sports Arena TIF District, especially the Trinity River, Trinity Strand Trail, Katy Trail and proposed Continental Pedestrian Bridge.

Continental Avenue Bridge Project – The Bridge was permanently closed to vehicular traffic on July 8, 2013. The construction cost for the Continental Avenue Bridge and West Dallas Gateway project was funded by private donations and bond funds. The bridge reopened for pedestrians only in 2015, providing a new outdoor destination with recreational amenities, parking at the West Dallas Gateway and non-motorized vehicular access across the Trinity River.

Katy Trail Extension – As part of the two-way conversion of Houston Street completed in 2016, a dedicated bicycle track on both sides of Houston Street was constructed, connecting to the current terminus of the KATY Trail and extending it throughout the Victory sub-district improving bicycle circulation.

Hi Line Connector Trail Project - On June 23, 2021 City Council approved a development agreement with the CTC for the design and construction of the North

Victory segment of the Hi Line Connector Trail Project located in the Victory Sub-district of the Sports Arena TIF District in an amount not to exceed \$11,562,124. The project will begin construction in 2023 with anticipated completion in June of 2025.

- Increase the utilization of structured parking to provide public and American Airlines Center (AAC) event parking.

Construction of the North Parking Garage providing AAC event parking completed in 2015. 425 spaces in the South Parking Garage provide additional AAC structured parking. These two facilities enabled the redevelopment of approximately 12.3 ± acres previously used for surface parking.

- Improve access and connectivity between the Victory, Riverfront Gateway Sub-district and West Dallas Sub-districts.

Improvements to the bike trail and pedestrian network, Continental Bridge improvements and ongoing work at Trinity Groves is intended to improve connectivity within the Sports Arena TIF District.

Year-End Summary of Meetings and Council Items

The Sports Arena TIF District Board of Directors met once during FY 2021-2022 on January 27, 2022.

The Sports Arena TIF District Board of Directors consists of nine (9) members, including six (6) City of Dallas appointees, one (1) Dallas Independent School District (DISD) appointee, one (1) Dallas County appointee and one (1) Dallas County Hospital District (DCHD) appointee. During FY 2021-2022, the Sports Arena TIF Board consisted of the following members:

Sammie Berry – City Appointee (Attended 1 of 1 meeting)
Stanley Coleman – City Appointee (Attended 0 of 1 meeting)
Maria Lozada Garcia – City Appointee (Attended 1 of 1 meeting)
Sylvia Lagos – City Appointee (Attended 1 of 1 meeting)
Edwin Robinson – City Appointee (Attended 1 of 1 meeting)
Jessica Lynn Sepulveda – City Appointee (Attended 1 of 1 meeting)
Orlando Alameda – DISD Appointee (Attended 1 of 1 meeting)
Luis Tamayo – Dallas County Appointee (Attended 1 of 1 meeting)
Joe Mayer – DCHD Appointee (Attended 1 of 1 meeting)

During FY 2021-2022, City Council approved eight (8) items directly or indirectly associated with the Sports Arena TIF District. The Council actions are listed below.

- On October 31, 2021, City Council approved Resolution No. 21-1653 authorizing (1) a conditional grant agreement with Dallas City Homes, Inc. and/or its affiliates for the purchase and installation of solar panels for the multifamily development to be located at 3115 Topeka Avenue, Dallas, Texas 75212 in the amount of \$300,000.00; and (2) a HOME Investment Partnership loan agreement in an amount not to exceed \$2,085,504.00 for the construction of affordable housing for the new Construction and Substantial Rehabilitation Program – Not to exceed \$2,385,504.00 - Financing: HOME Investment Partnerships Grant Fund (\$2,085,504.00) and General Fund (\$300,000.00).
- On November 10, 2021, City Council conducted a public hearing and deferred consideration of an application for a Planned Development District for office and mixed uses on property zoned an IR Industrial Research District, on the northeast corner of Gulden Lane and Singleton Boulevard.
- On January 26, 2022, City Council approved Ordinance No. 32124 and Resolution No. 22-0234 authorizing an ordinance abandoning portions of a drainage easement and two detention area easements to West Dallas Investments, L.P., the abutting owner, containing a total of approximately 47,042 square feet of land, located near the intersection of Beeville Street and Muncie Avenue - Revenue: General Fund \$5,400.00, plus the \$20.00 ordinance publication fee.
- On February 23, 2022, City Council approved Resolution No. 22-0382 accepting the FY 2020-2021 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Seven (Sports Arena 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.
- On April 13, 2022, City Council approved Ordinance No. 32172 and Resolution No. 22-0537 abandoning a portion of a street easement to Trinity Groves Residential III, L.P., the abutting owner, containing approximately 12 square feet of land, located near the intersection of Singleton Boulevard and Topeka Avenue; and authorizing the quitclaim - Revenue: General Fund \$5,400.00, plus the \$20.00 ordinance publication fee.
- On May 25, 2022, City Council conducted a public hearing and approved Ordinance No. 32220 and Resolution No. 22-0831 amending the City of Dallas Thoroughfare Plan to delete Amonette Street between West Commerce Street and Singleton Boulevard from the Thoroughfare Plan.
- On May 25, 2022, City Council approved Resolution No. 22-0797 authorizing a construction contract for the Dallas Union Bikeway Connector Project from Houston Street and Nowitzki Way to the intersection of Harwood Street and Woodall Rodgers Freeway access road - Gibson & Associates, Inc., lowest responsible bidder of two

- Not to exceed \$1,015,842.45 - Financing: Texas Department of Transportation Grant Fund (\$554,682.00), Bike Lane Fund (\$461,160.45).
- On June 22,2022, City Council approved Resolution No. 22-1009 authorizing (1) the designation of approximately 11.0 acres of property located at the current address of 2323 North Field Street as depicted in Exhibit A and further described in Exhibit B attached to the resolution, in Dallas, Texas as City of Dallas Neighborhood Empowerment Zone No. 20 (“NEZ No. 20”), pursuant to Chapter 378 of the Texas Local Government Code, which has been determined will promote an increase in economic development in the zone, establish boundaries for the zone, and provide for an effective date for the zone; (2) a real property tax abatement with Hunt Realty or an affiliate thereof, including North End L.P. (“Owner”) exempting 50% of the taxes on the added value to the net new tangible real property for a period not to exceed ten years; and (3) a business personal property tax abatement with Goldman Sachs & Co. LLC or an affiliate thereof (“Goldman Sachs” or “Tenant”) exempting 50% of the taxes on the added value to the net new tangible business personal property for a period not to exceed five years; and (4) a Chapter 380 Economic Development Grant Agreement with Tenant in an amount not to exceed \$4,000,000.00 for job retention and creation; and (5) a Chapter 380 Economic Development Grant Agreement with Owner and/or Tenant or affiliates thereof in an amount not to exceed \$375,000.00 associated with expedited permitting and soft construction costs grant; all of which will promote state or local economic development and to stimulate business and commercial activity in the municipality in connection with jobs created and retained in association with a new office development in accordance with the City ’s Public/Private Partnership Program - Financing: Public/Private Partnership Funds (\$4,375,000.00) and Estimated Revenue Foregone--City ad valorem real personal property taxes estimated up to \$12,257,000.00 over a tenyear period and City ad valorem business personal property taxes estimated up to \$1,381,703.00 over a five-year period.

Budget and Spending Status

Sports Arena TIF District			
Projected Increment Revenues to Retire TIF Fund Obligations			
Category	Budget	Total Committed or Spent	Total Remaining
Original Improvements			
Total Original Improvements	\$38,588,359	\$38,389,665	\$198,694
Victory Sub-district Amended Budget			
West Dallas Set-Aside	\$12,141,497	\$6,679,024	\$5,462,473
Tier One Improvements	\$47,679,815	\$47,679,815	\$0
North Parking Garage			
South Parking Garage			
Economic Development TIF Grants			
Tier Two Improvements	\$67,174,305	\$29,165,706	\$38,008,599
Additional North Parking Garage			
Additional South Parking Garage			
Other District Improvements:			
Open Space/Connectivity, Special Studies			
Infrastructure Improvements and Retail			
Total Victory Sub-District¹	\$165,583,976	\$121,914,210	\$43,669,766
Category	Total Budget	Total Committed or Spent	Total Remaining
West Dallas Sub-district			
Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition			
Total West Dallas Sub-District	\$88,388,681	\$17,455,000	\$70,933,681
Riverfront Gateway Sub-district			
Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail			
Total Riverfront Gateway Sub-district	\$10,090,940	\$0	\$10,090,940
Administration and Implementation²	\$2,005,804	\$1,139,243	\$866,561
Total Amended Budget	\$304,657,760	\$178,898,118	\$125,759,642
Original Sports Arena TIF District Budget	\$46,961,785		

¹Victory Sub-district's Total Budget includes original improvements and amended budgets.

²Administration and Implementation costs for FY 2021-2022 are included in the allocation above.

*Revenues shown above are estimated current dollars to be collected over the life of the TIF District, as of September 30, 2022.

Sports Arena TIF District Project Plan Budget	
Category	TIF Budget*
Original Improvements**	\$23,498,088
Victory Sub-district Amended Budget	
Tier One Improvements North Parking Garage South Parking Garage Economic Development TIF Grants Total Tier One Improvements	\$13,547,539
Tier Two Improvements Additional North Parking Garage Additional South Parking Garage Other District Improvements: Open Space/Connectivity, Special Studies Infrastructure Improvements and Retail Total Tier Two Improvements	\$22,301,524
Total Victory Sub-District	\$35,849,063
Category	TIF Budget*
West Dallas Sub-district Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition Total West Dallas Sub-District	\$31,120,420
Riverfront Gateway Sub-district Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail Total Riverfront Gateway Sub-district	\$3,595,888
Administration and Implementation	\$345,546
Total Amended Budget	\$94,409,005
Original Sports Arena TIF District Budget	\$25,498,568

* All values in Victory Sub-district were discounted to NPV 1999 dollars.

* All values in Riverfront Gateway and West Dallas Sub-districts are in NPV 2013 dollars.

M/WBE Participation

Although 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 Plan (BID) and make a good faith effort to include certified Minority and Women-Owned Business (M/WBE) participation in TIF District-funded projects. The BID Plan goal for the TIF District-funded projects listed below was 25 percent (25%) M/WBE participation in construction costs of the awarded subsidy. During fiscal year 2020-2021, City Council increased the BID Plan goal for construction costs to 32 percent (32%).

Sports Arena TIF Project M/WBE Participation <small>(completed projects only)</small>					
Project	Total Construction Contract Amount	Local M/WBE Amount	Non-Local M/WBE Amount	Total M/WBE Participation	Total M/WBE Participation Percentage
North Parking Garage*	\$21,756,462	\$2,329,577	\$64,522	\$2,394,099	11%
Olive Street Improvement Project	\$698,649	\$156,275	\$32,500	\$188,775	27%
Victory Park Lane Improvement Project	\$1,892,078	\$741,046	\$34,344	\$775,390	41%
Two Way Conversion Project - Phase I	\$2,881,557	\$795,170	\$0	\$795,170	28%
Two Way Conversion Project - Phase II	\$1,088,763	\$0	\$821,790	\$821,790	75%
Trinity Groves Restaurant Incubator Project	\$3,483,496	\$1,413,288	\$224	\$1,413,512	41%
Placemaking Project - Phase I	\$1,750,586	\$713,499	\$6,285	\$719,784	41%
Placemaking Project - Phase II	\$1,473,872	\$0	\$1,222,849	\$1,222,849	83%
Cypress at Trinity Groves	\$43,795,169	\$5,455,084	\$5,507,075	\$10,962,159	25%
District Wide Retail Project	\$18,687,484	\$0	\$6,522,428	\$6,522,428	35%
Totals	\$97,508,116	\$11,603,939	\$14,212,016	\$25,815,955	26%

FY 2022-2023 Work Program

The FY 2022-2023 Work Program for the Sports Arena TIF District is as follows:

- Adoption of the Sports Arena TIF District FY 2021-2022 Annual Report
- Promote projects in the Riverfront Gateway Sub-District and assess boundary expansion opportunities
- Continue annual payment of completed projects in the Victory and West Dallas Sub-districts
- Complete audit of TIF District-funded projects completed during FY 2021-2022, if any, and begin payment in June of 2023
- Work with the CTC and Park and Recreation Department to start construction of the Hi Line Connector Trail Project.

Appendix A: TIF District Financials

City of Dallas, Texas
Sports Arena 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	\$22,539,790	\$15,359,357	\$11,140,133	\$3,905,639	\$6,442,097
Accrued parking revenue receivable	\$36,886	\$21,894	\$0	\$43,338	\$81,690
Interest receivable	(\$408,052)	\$3,188	\$8,703	\$6,926	\$14,666
Total assets	\$22,168,623	\$15,384,439	\$11,148,837	\$3,955,903	\$6,538,452
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$500,000	\$2,693,322	\$855,000	\$2,729,726
Advances from developers	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$168,246	\$163,641	\$94,054	\$51,515	\$0
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	\$168,246	\$663,641	\$2,787,376	\$906,515	\$2,729,726
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$22,000,377	\$14,720,798	\$8,361,460	\$3,049,387	\$3,808,726
Total Liabilities and Fund Equity	\$22,168,624	\$15,384,439	\$11,148,837	\$3,955,903	\$6,538,452

Sports Arena Area 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	\$91,266,519	\$13,092,781	\$10,753,205	\$9,848,179	\$9,073,708	\$7,611,578
Tax increment-Intergovernmental	\$24,495,058	\$112,342	\$1,257,228	\$1,165,252	\$1,017,420	\$781,647
Parking Revenue	\$1,960,765	\$404,714	\$242,617	\$271,622	\$371,064	\$289,914
Interest income	\$1,598,700	\$111,138	\$37,061	\$59,444	\$99,529	\$47,634
Developer Participation	\$1,189,939	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	(\$371,429)	(\$443,308)	(\$18,193)	\$15,079	\$35,995	(\$17,399)
Total revenues	\$120,139,552	\$13,277,667	\$12,271,918	\$11,359,577	\$10,597,716	\$8,713,375
Expenditures:						
Administrative expenses	\$1,139,243	\$56,835	\$68,990	\$94,481	\$51,515	\$0
Non-Capital outlay	\$27,821,241	\$5,226,522	\$3,081,420	\$3,442,527	\$3,251,013	\$2,921,649
Capital outlay	\$48,634,538	\$98,372	\$2,083,890	\$1,772,889	\$7,060,082	\$1,911,064
Interest and fiscal charges	\$22,297,029	\$516,360	\$578,281	\$637,607	\$694,444	\$748,899
Total expenditures	\$99,892,051	\$5,898,088	\$5,812,581	\$5,947,504	\$11,057,055	\$5,581,611
Excess (Deficiency) of Revenues over Expenditures	\$20,247,501	\$7,379,579	\$6,459,338	\$5,412,073	(\$459,339)	\$3,131,764
Fund balance (Deficit) at beginning of year						
as previously reported	\$0	\$14,720,798	\$8,361,460	\$3,049,387	\$3,808,726	\$676,963
Prior period restatement	\$2,352,877	\$0	\$0	\$0	\$0	\$0
Interfund Transfer	(\$600,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$300,000)	\$0
Fund balance (Deficit) at beginning of year, as restated	\$1,752,877	\$14,620,798	\$8,261,460	\$2,949,387	\$3,508,726	\$676,963
Fund balance (deficit) at end of year	\$22,000,377	\$22,000,377	\$14,720,798	\$8,361,460	\$3,049,387	\$3,808,726

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 City Council. In case of any material changes, the TIF board will be provided updated financial statements.

Interfund Transfer: Annual transfer of funds in the amount of \$100,000 (fiscal year 2017 thru Fiscal Year 2022) from South Parking Garage revenues to North Parking Garage Fund for major capital expenses and maintenance costs.

Financial Status of the Zone

City of Dallas, Texas
Sports Arena Tax Increment Financing District
Reinvestment Zone Number Seven
As of September 30, 2022

Section 311.016 of the Tax Increment Financing Act 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:

\$111,138	Interest Income
\$404,714	Parking Revenue
\$13,205,123	Ad Valorem Taxes (Collected in FY 2021-2022 based on 2021 Final Tax Roll)
(443,308)	Net change in fair value of investment
\$13,277,667	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$56,835	TIF District administrative costs for the fiscal year 2021-2022
\$5,226,522	Non-Capital outlay ¹
\$98,372	Capital outlay ¹ - Engineering & Architectural Fees
\$516,360	Additional Subsidy in Form of Grant (in lieu of interest expense) - non capital outlay ¹
\$5,898,088	Total Expenditures

¹These expenditures were for the following projects:

	Total	Capital	Non-Capital
North Parking Garage Improvements-Principal & Interest	\$1,993,035	\$0	\$1,993,035
South Parking Garage Grant	\$500,000	\$0	\$500,000
Trinity Groves Mixed Use Project - Phase I	\$2,181,550	\$98,372	\$2,083,178
Victory Park Retail Project/Initiatives	\$1,166,668	\$0	\$1,166,668
Parking Signage-Phase II Project	\$0	\$0	\$0
Total	\$5,841,253	\$98,372	\$5,742,881

¹Per the North Parking Garage Operating and Management Agreement, an annual transfer of \$100,000 was made from the Sports Arena TIF District Fund to the North Parking Garage TIF District Fund during FY 2021-2022 for major capital expense maintenance costs.

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

Sports Arena TIF District has incurred no bonded indebtedness as of September 30, 2022.

b. The Zone has paid the following contingent obligations from available TIF District funds, as of September 30, 2022:

Developer	Project	Advance		
		Principal	Add'l Subsidy (1)	Outstanding
Center Operating Company	Houston Street Extension	\$21,241,017	\$13,451,642	\$34,692,660
Center Operating Company	Woodall Rodgers Plaza	\$2,000,000	\$1,701,821	\$3,701,821
Total		\$23,241,017	\$15,153,464	\$38,394,481
	Less: payments	\$23,241,017	\$15,153,463	\$38,394,480
	Net Balance Outstanding	\$0	\$0	\$0

c. The Zone has paid the following operator from available TIF District funds as of September 30, 2022:

Garage Operator	Type of Agreement	Principal	Add'l Subsidy (1)	Payments	Outstanding
Center Operating Company	Parking Mgt & Operating Agrmt	\$1,521,114	\$0	\$1,521,114	\$0

d. The Zone has entered into a development agreement for each of the following projects and payment status as of September 30, 2022:

Developer	Project Name	Principal TIF Award	Max. Accrued Add'l Subsidy (1)	Total TIF Award	Less Payments			Net Remaining Balance
					Accrued Principal	Add'l Subsidy (1)	Total	
Anland GP, LP	North Parking Garage	\$21,800,000	\$6,430,193	\$28,230,193	\$11,479,212	\$4,792,770	\$16,271,983	\$11,958,210
Victory Park UST Joint Venture I, L.P.	South Parking Garage	\$12,825,000	\$0	\$12,825,000	\$6,985,000	\$0	\$6,985,000	\$5,840,000
Anland GP, LP	North Parking Garage Enhancements	\$3,600,000	\$0	\$3,600,000	\$3,600,000	\$0	\$3,600,000	\$0
Victory Park UST Joint Venture I, L.P.	Victory Park Lane Improvement Project	\$1,226,500	\$0	\$1,226,500	\$1,226,500	\$0	\$1,226,500	\$0
Victory Park UST Joint Venture I, L.P.	Olive Street Improvement Project	\$825,100	\$0	\$825,100	\$825,100	\$0	\$825,100	\$0
Victory Park UST Joint Venture I, L.P.	Two Way Conversion & parking signage Project	\$4,646,152	\$0	\$4,646,152	\$4,646,152	\$0	\$4,646,152	\$0
Trinity Groves, LLC	Trinity Groves-Restaurant/Retail Project	\$3,505,000	\$0	\$3,505,000	\$3,505,000	\$0	\$3,505,000	\$0
Victory Park UST Joint Venture I, L.P.	Pacemaking Project Phase I & II	\$5,535,808	\$0	\$5,535,808	\$5,535,808	\$0	\$5,535,808	\$0
Trinity Groves Residential I, L.P.	Trinity Groves Mixed Use Phase I	\$12,478,853	\$0	\$12,478,853	\$6,955,304	\$0	\$6,955,304	\$5,523,549
Blocks GKM, LP	Victory Park Retail Initiatives	\$3,500,000	\$0	\$3,500,000	\$3,500,000	\$0	\$3,500,000	\$0
Circuit Trail Conservancy	Hi Line Connector Trail Project	\$11,562,124	\$0	\$11,562,124	\$0	\$0	\$0	\$11,562,124
Total		\$81,504,537	\$6,430,193	\$87,934,730	\$48,258,076	\$4,792,770	\$53,050,847	\$34,883,883

(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:

	Taxable Value 2022	Base Year Value*	Est. Captured Value 2022**
City of Dallas-Victory Sub-District	\$1,781,649,727	\$33,515,323	\$1,748,134,404
City of Dallas-Riverfront Sub-District	\$36,308,070	\$18,624,970	\$17,683,100
City of Dallas-West Dallas Sub-District	\$180,462,870	\$11,590,076	\$168,872,794
Dallas County-Victory Sub-District	\$1,782,207,727	\$405,570,974	\$1,376,636,753
Dallas County-Riverfront Sub-District	\$36,308,070	\$18,624,970	\$17,683,100
Dallas County-West Dallas Sub-District	\$180,462,870	\$11,590,076	\$168,872,794

*Base Year for Victory Sub-district is 1998 for the City and 2012 for the County; Base Year for Riverfront and West Dallas Sub-districts is 2012.

**Based on DCAD Certified Taxable Value. The final values will be determined on February 1, 2023.

5. Captured appraised value by the municipality and other taxing units, the total amount of 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 Estimated 2022	
	Per \$100	Increment
City of Dallas-Victory Sub-District	0.67122	\$11,733,828
City of Dallas-Riverfront Sub-District	0.67122	\$18,693
City of Dallas-West Dallas Sub-District	0.67122	\$1,133,508
Dallas County-Victory Sub-District	0.09808	\$1,350,146
Dallas County-Riverfront Sub-District	0.11987	\$21,197
Dallas County-West Dallas Sub-District	0.11987	\$202,428
Total for all Jurisdictions	\$2.35148	\$14,559,799

B. The total amount of estimated tax increment to be billed for the 2022 tax year is \$14,559,799

C. For the 2021 tax year, increment in the amount of \$13,205,123 was received.

City of Dallas, Texas
Sports Arena 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 \$765,000 (in Current dollars) over the life of the Zone to reimburse the City for administrative costs. The City began reimbursing the general fund for administrative costs in FY 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. "Due to general fund" amount of \$168,246 at September 30, 2022 represents the Zone's administration costs for the fiscal year 2018-2019 (\$1,581), fiscal year 2019-2020 (\$40,243), fiscal year 2020-2021 (\$69,587), and (\$56,835) for the fiscal year 2021-2022 that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF District funds. These administrative costs do not include billing to other City departments.
6. All expenditures resulting in capital improvements that are owned by the City are capitalized on the City's books.

Appendix B: Project Pay-Off Estimates

Developer	Project Name	Max. TIF Award	Pay-Off Date
Victory Sub-district			
Anland GP, LP	North Parking Garage	\$21,800,000	2028
Victory Park UST Joint Venture I, L.P.	South Parking Garage	\$12,825,000	2028
Blocks GKM, L.P./Victory Park UST Joint Venture I, L.P.	Sub-district Wide Retail	\$3,500,000	2022
Circuit Trail Conservancy	Hi Line Connector Trail Project	\$11,562,124	2026
West Dallas Sub-district			
Trinity Groves Residential I, L.P.	Cypress @ Trinity Groves	\$13,950,000	2024

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;
- (4) Completion dates of projects listed in the TIF District's reimbursement queue; and/or
- (5) Changes in development activity within the TIF District

Appendix C: Sub-district Set-Aside Funds

The Sports Arena TIF District Project Reinvestment Zone Financing Plan created a West Dallas set-aside within the Victory Sub-district. Additionally, the adopted Increment Allocation Policy for the TIF District gave the TIF District Board the discretion to set aside increment for “sub-district wide improvements” such as gateways, trails, open space, public facilities, workforce training or utility/streetscape improvements benefiting multiple properties or blocks within the sub-districts.

Victory Sub-district Set-Asides

West Dallas Set-Aside - Ten percent (10%) of the total collected City and County increment revenue (after administrative expenses) for the Victory Sub-district shall be allocated to the West Dallas Sub-district.

Victory Sub-district Wide Improvements Set-Aside – From 2014 annual sub-district increment, after payment of completed Tier One projects, \$500,000, shall be set-aside for eligible sub-district wide improvements. Eligible improvements are limited to future design and construction of public improvements that may be required as a result of the implementation of the following Tier Two infrastructure improvement projects: Olive Street Reconfiguration and Two-Way Conversion of Houston Street and Victory Avenue.

Riverfront Gateway Sub-district Set-Aside

Riverfront Gateway Sub-district Wide Improvements Set-Aside – Ten percent (10%) of the increment generated from the Riverfront Gateway Sub-District, up to \$955,000, shall be set aside for eligible improvements. Eligible improvements shall specifically include streetscape, open space and trail improvements that benefit multiple properties within the Riverfront Gateway Sub-district whether constructed as part of a single development project or independent of a development project. These funds may also be used as a match for potential grant funding for eligible improvements.

West Dallas Sub-district Set-Asides

Zoning Sub-district Wide Improvements Set-Aside – Five percent (5%) of the increment generated from the West Dallas Sub-District, up to \$3,000,000, shall be set aside for Planned Development District (PD) 891 zoning required improvements (Zoning Sub-district Wide Improvements). Zoning Sub-District Wide Improvements shall specifically include PD 891 Open Space Improvements, whether constructed incrementally or in conjunction with specific private development projects or constructed independent of a specific private development project. PD 891 improvements specifically include: Muncie Street Linear Park, Herbert Plaza and the Akron Park Greenway.

General Sub-district Wide Improvements Set-Aside – Ten percent (10%) of the increment transferred from the Victory Sub-district shall be set-aside for other West Dallas Sub-

district wide improvement projects (General Sub-district Wide Improvements) and to be used as a match for potential grant funding of improvement projects.

Sports Arena TIF District - Sub-district Set-Asides			
Sub-districts	Max Set-Aside Amount	Collected to Date	Committed or Spent to Date
Victory Sub-district			
West Dallas Set-Aside*	-	\$6,679,024	\$6,679,024
Sub-district Wide Improvements Set-Aside	\$500,000	\$500,000	\$0
Riverfront Gateway Sub-district			
Sub-district Wide Improvements Set-Aside	\$955,000	\$49,116	\$0
West Dallas Sub-district			
Zoning Sub-district Wide Improvements Set-Aside	\$3,000,000	\$298,115	\$0
General Sub-district Wide Improvements Set-Aside*	-	\$667,902	\$0

**There are no max amounts for these set-asides.*