

MALL AREA REDEVELOPMENT TIF DISTRICT (REINVESTMENT ZONE NUMBER TWENTY)

ANNUAL REPORT
FY 2022-2023



City of Dallas

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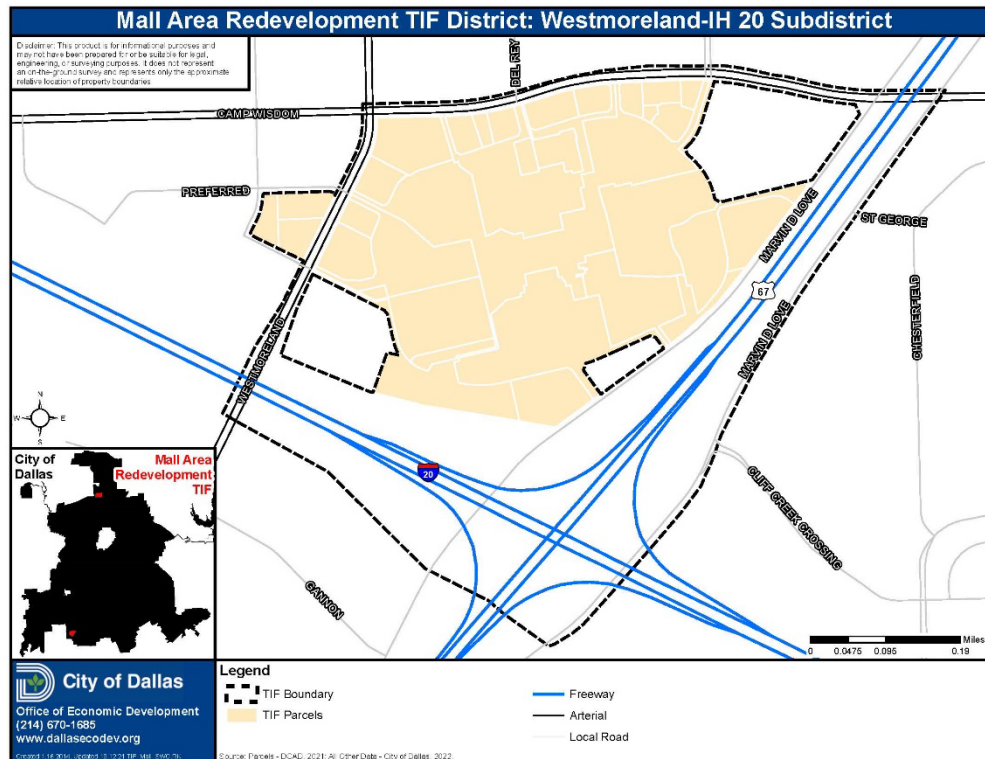
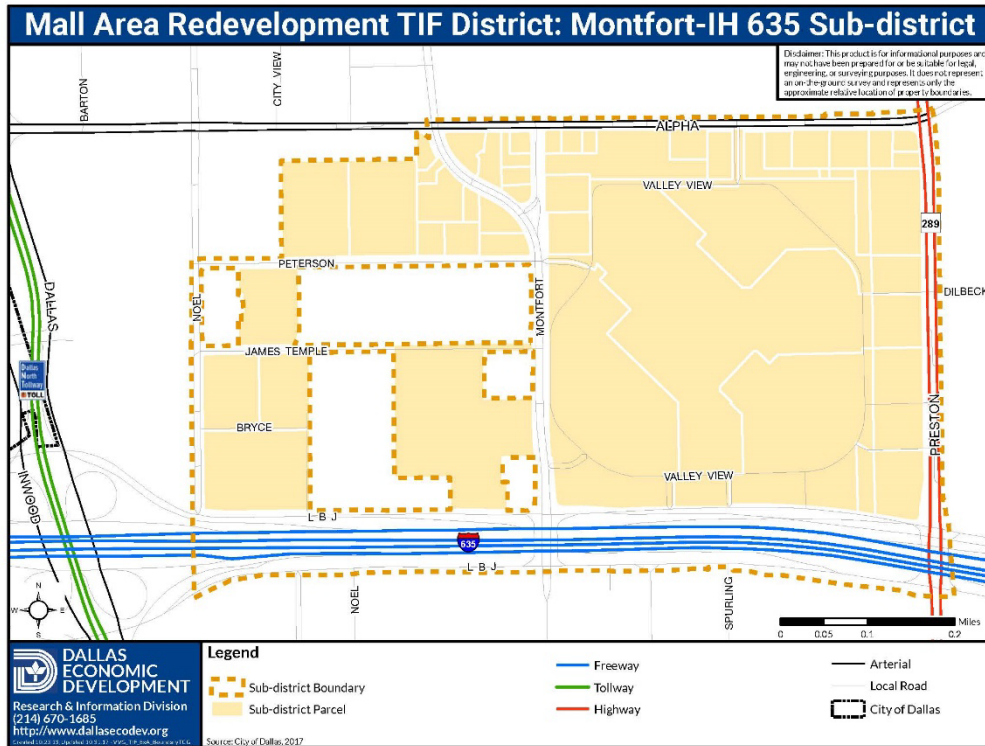
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October 1, 2022 to September 30, 2023

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TIF District Map



Mission Statement

The Mall Area Redevelopment Tax Increment Financing District (TIF District) represents the City of Dallas' effort to encourage the sustainable redevelopment of properties including and around two obsolete shopping malls while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.

As allowed by Chapter 311 of the Texas Tax Code, the TIF District comprises two non-contiguous sub-districts—the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and the Westmoreland-IH 20 Sub-District for the Redbird Mall (formerly Southwest Center Mall) area in southern Dallas.

The Montfort-IH 635 Sub-District is generally bounded by Alpha Road, Preston Road, Noel Road, and Interstate Highway 635 (LBJ Freeway). The Montfort-IH 635 Sub-District encompasses approximately 173.9 acres, not including rights-of-way. The Montfort-IH 635 Sub-District is recommended by and consistent with the City's adopted Valley View-Galleria Area Plan (2013) and serves as a long-term funding tool to help implement the shared vision for the area by further leveraging other implementation tools (PD 887 form-based zoning and Thoroughfare Plan amendments) enacted by the City Council.

The Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Highway 67 (Marvin D. Love Freeway), and Interstate Highway 20 (LBJ Freeway). The Westmoreland-IH 20 Sub-District encompasses approximately 112.2 acres, not including rights-of-way. The Westmoreland-IH 20 Sub-District is recommended by and consistent with the City-sponsored Advisory Services Panel report entitled "Southwest Center Mall" published by the Urban Land Institute (2009) and serves as a long-term funding tool to help implement many of the report's recommendations over time.

The mission of the TIF District is to provide a source of funding for a program of public investments (e.g. infrastructure improvements, economic development grants, and land acquisition/assembly for public open space), which is intended to stimulate private investment and redevelopment in each mall area to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.

Originally in the 1960s and 1970s, the Valley View Center Mall and the Southwest Center Mall were created by complex configurations of super-blocks, private land ownership, and reciprocal easement agreements that bound multiple owners together. Over the past 15-20 years, as market conditions have shifted significantly, these same configurations heavily burdened each mall area, making redevelopment and revitalization extremely difficult without public participation and intervention.

With the assistance of this TIF District, each mall area is to be reconfigured into a traditional pattern of public streets, public open space, public infrastructure, and smaller parcels of private land ownership, thereby setting the stage for incremental redevelopment that is flexible to meet market demands and community needs.

TIF District Accomplishments in FY 2022-2023

- In 2023, the remaining in-line portion of the Valley View Mall and the former AMC theater were demolished.
- In November 2020, voters approved a Dallas Independent School District (DISD) bond package, including \$75 million to design and build a new preK-12 vertically integrated choice school in North Dallas. During the first half of FY 2021-2022, DISD actively evaluated potential sites in the Valley View-Galleria area. In July 2022, DISD closed on the purchase of the 12-story office building and associated parking garage located on 6.2 acres at 5501 LBJ Freeway within the Montfort-IH 635 Sub-District of the Mall Area Redevelopment TIF District. During FY 2022-2023, DISD continued the process of planning and designing the building's conversion into a school with support from the City of Dallas. DISD anticipates opening the school in 2025.
- In April 2021, the NCTCOG Executive Board authorized an \$850,000 consultant contract with Lea + Elliott, Inc. to develop technical standards and guidelines for an automated transportation system (ATS Development Study). City staff participated in the Steering Committee for the ATS Development Study, and the final report was completed in May 2023.
- In January 2021, the City's Office of Economic Development entered into a consultant contract with Social Impact Architects, Inc. to review existing plans, re-engage stakeholders, and develop a unified strategic plan for the Valley View-Galleria area with special focus on improving and coordinating a variety of public sector implementation activities (e.g. park; school; ATS; zoning; marketing; branding). In January 2022, City staff and Social Impact Architects presented to the Economic Development Committee of City Council a summary of the substantially complete strategic plan, including research, stakeholder engagement, opportunities, recommendations, and next steps. A primary recommendation of the strategic plan was for the City to establish a specific brand and identity for the Valley View-Galleria area as the "Dallas International District." During FY 2022-2023, the City and Social Impact Architects, Inc. continued pursuit of the recommended implementation actions of the strategic plan, including marketing The Prism building as an integral part of the City's International District to attract prospective foreign trade offices, improve foreign relations, and increase trade, cultural exchanges, and foreign direct investment. In December 2022 at The Prism, the City welcomed the opening of the Trade Office of France by the French-American Chamber of Commerce.
- In Spring 2021, Florida-based developer ZOM Living began construction on a new 398-unit apartment project on 3.2 acres located at the northeast corner of Noel Road and LBJ Freeway in the Montfort-IH 635 Sub-District. Known as Hazel by the Galleria, the project is 5 stories wrapping a 7-story structured parking garage. Construction was completed during FY 2022-2023.

- In June 2021, City Council approved Resolution No. 21-1095 to authorize a construction services contract (not to exceed \$4,470,719) with Vescorp Construction, LLC dba Chavez Concrete Cutting for the construction of a complete street project on Montfort Drive from Interstate Highway 635 Frontage Road to Alpha Road. The project will include improving the existing street pavement with reinforced concrete pavement, storm drainage, water and wastewater, concrete sidewalk, shared-use concrete path, buffered bike lanes, street and pedestrian lighting, traffic signals, pavement markings, speed control treatments, and pedestrian enhancements. Originally, construction of the project was scheduled to start in early 2022 and be completed by mid-2023. However, due to delays in utility pole relocation by Oncor as well as contract disputes between the City and Vescorp Construction, construction of the project did not commence in 2022; however, construction did commence in March 2023 and is anticipated to be completed by the end of 2024.
- During FY 2022-2023, significant progress continued to be made on the redevelopment project at Red Bird Mall (now known as the Shops at RedBird), including:
 - substantial completion of new site infrastructure
 - substantial completion of \$2.1 million 12,600 square foot expansion of the Dallas Entrepreneur Center (DEC) at RedBird
 - substantial completion of Dallas College's \$5 million 53,000 square foot Workforce Development and Training Center
 - substantial completion of new Chick-fil-A restaurant at RedBird
 - demolition of vacant former Blockbuster Video building (7,000 square feet) at 3420 W. Camp Wisdom Road and commencement of construction on new multi-tenant retail building (5,400 square feet)
 - City Council approval of Resolution No. 23-0505, authorizing an economic development incentive agreement with Randall's Food & Drugs LP to include (1) a Chapter 380 economic development grant in the amount not to exceed \$5,200,000.00; (2) a Chapter 380 sales tax grant in the amount not to exceed \$600,000.00 over ten years; and (3) a business personal property tax abatement for a period of five years in the amount equal to the City's taxes assessed on 75 percent of the added taxable value of Grantee/BPP Owner's business personal property investment during the first five years of operation in consideration of a new \$19 million 50,000 square foot full-service Tom Thumb grocery store at RedBird

- City Council approval of Resolution No. 23-0793, authorizing a New Markets Tax Credit transaction between the Dallas Development Fund and its subsidiaries, JPMorgan Chase and its subsidiaries, and Vogel Alcove for interior construction of a new \$6.1 million 15,000 square foot childcare and resource center at RedBird



Projects Within the Mall Area Redevelopment TIF District Utilizing TIF District Funding ¹							
Project	Location	Sub-District	Completion Date (Calendar Year)	Status	Development Amount/Type ²	Approx Value ³	TIF District Investment ⁴
Reimagine RedBird ⁶	3662 W. Camp Wisdom	Westmoreland-IH 20	2025	Under Construction	demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$135,000,000	\$15,600,000
TOTAL					demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$135,000,000	\$15,600,000

Projects Within the Mall Area Redevelopment TIF District Not Utilizing TIF District Funding ^{1,5}							
Project	Location	Sub-District	Completion Date (Calendar Year)	Status	Development Amount/Type ²	Approx Value ³	TIF District Investment ⁴
Windsor by the Galleria	13290 Noel Road	Montfort-IH 635	2017	Complete	new construction of multi-family residential (321 units)	\$68,000,000	\$0
AC Hotel and Residence Inn (by Marriott) by the Galleria	5460 James Temple	Montfort-IH 635	2018	Complete	new construction of hotel (256 rooms)	\$21,600,000	\$0
Cornell Midtown	13001 Cornell	Montfort-IH 635	2020	Complete	new construction of multi-family residential (344 units)	\$70,000,000	\$0
Palladium RedBird ^{6,7}	7202 S. Westmoreland	Westmoreland-IH 20	2021	Complete	new construction of multi-family residential (300 units)	\$43,529,650	\$0
Hazel by the Galleria	13100 Noel	Montfort-IH 635	2023	Complete	new construction of multi-family residential (398 units)	\$61,304,500	\$0
TOTAL					new construction of multi-family residential (1,363 units) new construction of hotel (256 rooms)	\$264,434,150	\$0

Grand Total - All Projects Utilizing and Not Utilizing TIF District Funding					Approx Value ³	TIF District Investment ⁴	
GRAND TOTAL					new construction of multi-family residential (1,363 units) new construction of hotel (256 rooms) demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$399,434,150	\$15,600,000

¹ All information updated as of September 30, 2023.

² Based upon: either the incentive application or the 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) required minimum private investment stated in the Development Agreement for projects that have been approved for TIF District funding or are under construction, or (3) DCAD market value for completed projects (unless project has not yet been assessed).

⁴ TIF District funding amount not to be exceeded per an approved City Council Resolution.

⁵ Selected significant projects included.

⁶ Project also includes other City subsidies; contact the Office of Economic Development for more information.

⁷ Tax-exempt property.

TIF District Initiatives							
Project	Location	Sub-District	Completion Date (Calendar Year)	Status	Project Description	Investment	Source
Acquisition of real property for future central park	5580 Peterson Lane	Montfort-IH 635	2021	Complete	acquisition from Peterson Lane Partners LLC of approximately 1.66 acres, including a 53,730 square foot two-story multi-tenant office building	\$1,510,785.21	Park and Recreation Facilities Fund (2006 General Obligation Bond Funds)
						\$3,000,000.00	ECO (Proposition I in 2017 General Obligation Bond Funds-District 11 allocation)
						\$213,301.46	Valley View-Galleria Open Space Fund (park fee in lieu fund in PD 887)
						\$652,913.33	Mall Area Redevelopment TIF District
						\$300,000.00	Equity Revitalization Capital Fund (District 11 allocation)
Total						\$5,677,000.00	

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 Montfort-IH 635 Sub-District, construction was completed in 2017 on the 321-unit Windsor by the Galleria apartment project located at 13290 Noel Road. The Windsor by the Galleria multi-family project did not utilize direct site-specific TIF District funding and, as such, does not set aside any affordable units. Additionally, in the Montfort-IH 635 Sub-District, construction was completed in 2020 on the 344-unit Cornell Midtown (formerly Modera Dallas Midtown) multi-family project located at 13001 Cornell. The Cornell Midtown multi-family project did not utilize direct site-specific TIF District funding and, as such, does not set aside any affordable units. Additionally, in the Montfort-IH 635 Sub-District, construction was completed in 2023 on the 398-unit Hazel by the Galleria multi-family project located at 13100 Noel. The Hazel by the Galleria project did not utilize direct site-specific TIF District funding and, as such, does not set aside any affordable units.

In the Westmoreland-IH 20 Sub-District, construction was completed in 2021 on the 300-unit Palladium Redbird mixed-income apartment project located at 7202 S. Westmoreland Road within the Reimagine Redbird redevelopment. As a requirement of the funding sources (i.e. housing tax credits; tax exempt bonds; CDBG/HOME funds; City general obligation bond funds) utilized to develop the project, 70% of the 300 units (i.e. 210 units) are reserved and leased solely to households earning at or below 60% of Area Median Family Income as defined by the U.S. Department of Housing and Urban Development. The 210 affordable units are required to remain affordable for a minimum of 20 years. The remaining 30% of the units in the project (i.e. 90 units) can be leased at market rates.

Value and Increment Revenue Summary

The adjusted base value of the TIF District is \$176,287,080 (\$148,591,740 in the Montfort-IH 635 Sub-District and \$27,695,340 in the Westmoreland-IH 20 Sub-District).

In the 2023 certified tax roll, the total appraised value of all taxable real property in the TIF District as determined by the Dallas Central Appraisal District was \$404,452,430, representing an increase of \$228,165,350 (129.4%) over the adjusted base value.

In the Montfort-IH 635 Sub-District, the certified total appraised value of all taxable real property in tax year 2023 was \$353,970,740, representing an increase of \$205,379,000 (138.2%) over the base value.

In the Westmoreland-IH 20 Sub-District, the certified total appraised value of all taxable real property in tax year 2023 was \$50,481,690, representing an increase of \$22,786,350 (82.3%) over the adjusted base value.

Year-over-year, the TIF District's 2023 certified total value increased by \$69,052,790 (20.6%) over the TIF District's 2022 final value of \$335,399,640.

With the City's participation in the TIF District for tax year 2023 at 90%, the captured incremental tax revenue anticipated to be collected and deposited into the TIF fund in 2024 for tax year 2023 is approximately \$1,510,751.

Note about Dallas County's participation in the TIF District: In August 2015, the Dallas County Commissioners Court approved Court Order 2015-1122 authorizing the participation of Dallas County in the Mall Area Redevelopment TIF District, beginning on January 1, 2020, subject to Valley View Mall (excluding Sears and the existing theater) being demolished by the same date, by providing 55% of its increment for either twenty years, until the County's total net present value contribution reaches \$21.6 million (using a discount rate of 4%), or the City of Dallas terminates the district, whichever comes first. Between 2015 and 2019, Dallas County staff had decided to delay in executing the interlocal agreement until seeing evidence that Valley View Mall had been demolished in accordance with the County's qualifying condition of participation. In early 2020, following completion of the demolition work made to the in-line portion of the mall by TX Dallas Midtown, L.P., Dallas County staff concluded that the County's qualifying condition of

participation had not been fully satisfied because Dallas Midtown, L.P. had kept a portion of the mall intact in order to specifically keep the movie theater operating. As a result, Dallas County's participation in the TIF District for tax year 2023 is currently 0%. With the remaining portions of the mall having been fully demolished in 2023, Dallas County staff has indicated strong support for pursuing a new Court Order in 2024 to authorize the County's participation for the same duration (20 years) and at the same rate (55%) as development activities in the Montfort-IH 635 Sub-District begin to regain momentum again following the COVID-19 pandemic.

Objectives, Programs, and Success Indicators

The Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District was approved in June 2015. The following goals are included in the Project Plan and Reinvestment Zone Financing Plan:

- Goal 1: To create additional taxable value attributed to new private investment in projects in the Montfort-IH 635 Sub-District totaling approximately \$3.92 billion in total dollars over the 30-year life of the Sub-District.

Taxable value in the Montfort-IH 635 Sub-District has increased \$205,379,000 over the base value (representing 5.2% of goal).

- Goal 2: To create additional taxable value attributed to new private investment in projects in the Westmoreland-IH 20 Sub-District totaling approximately \$295.2 million in total dollars over the 30-year life of the Sub-District.

Taxable value in the Westmoreland-IH 20 Sub-District has increased \$22,786,350 over the base value (representing 7.7% of goal).

- Goal 3: To attract new higher density private development in the Montfort-IH 635 Sub-District totaling approximately 707,870 square feet of new retail space; 72,991 square feet of renovated movie theater; 3,987,022 square feet of new office space; 957 new hotel rooms; and 7,674 new residential units (including apartments and condominiums).

In the Montfort-IH 635 Sub-District, 1,063 multi-family residential units have been completed (14% of goal). Additionally, 256 hotel rooms have been completed (27% of goal).

- Goal 4: To attract new higher density private development in the Westmoreland-IH 20 Sub-District totaling approximately 140,000 square feet of new retail space; 45,000 square feet of movie theater; 70,000 square feet of new office space; 80 new hotel rooms; and 1,620 new residential units (including apartments and townhomes).

In the Westmoreland-IH 20 Sub-District, 23,043 square feet of new retail space (Starbucks--2,550 square feet and Foot Locker--20,493 square feet) are complete (17% of goal). Additionally, 300 new multi-family residential units have been completed (19% of goal). There are no new hotel rooms planned (0% of goal).

Approximately 129,835 square feet of former retail space has been converted for office use (Dallas Entrepreneur Center--7,130 square feet; Jarvis Christian College—6,018 square feet; Workforce Solutions Greater Dallas—30,000 square feet; Chime Solutions, Inc.—86,687 square feet).

Additionally, approximately 193,000 square feet of former retail space has been converted for medical office use (Parkland Hospital Clinic—43,000 square feet; UT Southwestern Medical Center—150,000 square feet).

- Goal 5: To encourage the sustainable redevelopment of properties including and around two severely declining shopping malls in a manner in which negative fiscal impacts for the remainder of the City are limited and a walkable development pattern is achieved that is a net benefit to the City from a fiscal, land use, and quality of life standpoint.
- Goal 6: To increase public open space in the District.

During FY 2022-2023, staff supported ongoing efforts to acquire/assemble property for the future Dallas Midtown Commons Park. On January 25, 2023, City Council approved Resolution No. 23-0190, authorizing an application for the Texas Parks and Wildlife Department Outdoor Recreation Legacy Partnership Grant Program in an amount up to \$10,000,000 to help establish a new central park in the City's International District (informally known as the Valley View-Galleria area. Staff submitted the application on February 1, 2023. Late in FY 2022-2023, staff received notification that the application was not successful.

- Goal 7: To generate approximately \$431.4 million (net present value of approximately \$182.5 million in 2014 dollars) in TIF fund revenues over the 30-year life of the District.

Total collection of TIF District fund revenues: \$3,453,806 (0.80% of goal).

Year-End Summary of Meetings and City Council Items

The Mall Area Redevelopment TIF District Board of Directors had one (1) meeting during FY 2022-2023: January 20, 2023 (special called 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: Oscar Joyner—City representative (1 of 1 meeting)
- Position 2: Mahesh Gehani—City representative (1 of 1 meeting)
- Position 3: Kiyundra Jones—City representative (1 of 1 meeting)
- Position 4: Rick Perdue—City representative (0 of 1 meeting)
- Position 5: Mike Sims—City representative (1 of 1 meeting)
- Position 6: Amy Monier—City representative (1 of 1 meeting)
- Position 7: Dallas County’s appointment of a Board member for Position 7 cannot occur until after the County’s approval of a new interlocal agreement with the City to participate in the Mall Area Redevelopment TIF District (see page 10)

During FY 2022-2023, City Council acted on seven (7) items associated with the Mall Area Redevelopment TIF District:

- On January 11, 2023, City Council approved Resolution No. 23-0109, authorizing an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) (CSJ No. 0261-03-070, CFDA No. 20.205) for the TxDOT Green Ribbon Program Project to provide landscape planting and irrigation improvements on U.S. Highway 67 at Camp Wisdom Road - Financing: No cost consideration to the City
- On January 25, 2023, City Council approved Resolution No. 23-0190, authorizing an application for the Texas Parks and Wildlife Department Outdoor Recreation Legacy Partnership Grant Program in an amount up to \$10,000,000 to help establish a new central park in the City’s International District (informally known as the Valley View-Galleria area) in north Dallas - Financing: No cost consideration to the City (potential future costs)
- On February 22, 2023, City Council approved Resolution No. 23-0314, accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Twenty (Mall Area Redevelopment 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

- On March 8, 2023, City Council approved Resolution No. 23-0369, authorizing (1) the acceptance of a grant from the United States Department of Transportation Federal Highway Administration through the Texas Department of Transportation (TxDOT) for the Congestion Mitigation and Air Quality Improvement Program (Agreement No. CSJ 0918-47-368, CFDA No. 20.205) as Federal share in the total project cost of \$7,854,750.00, which includes \$6,000,000.00 as Federal participation, \$354,750.00 as State participation for indirect state cost, and \$1,500,000.00 (\$1,470,000.00 for design and construction and \$30,000.00 for direct state cost paid to TxDOT prior to construction) as local participation for cost related to the reconstruction and widening of sidewalks with the installation of pedestrian streetlights and the reconstruction/upgrade of the crosswalks and associated traffic signal infrastructure on West Camp Wisdom Road from U.S. 67 to South Westmoreland Road in Dallas County; (2) the establishment of appropriations in the amount of \$5,880,000.00 in the West Camp Wisdom Road Improvements Fund; (3) the receipt and deposit of funds in the amount of \$5,880,000.00 in the West Camp Wisdom Road Improvements Fund; (4) the disbursement of funds in the amount of \$5,880,000.00 from the West Camp Wisdom Road Improvements Fund; (5) a required local match in the amount of \$1,500,000.00; (6) the disbursement of a portion of local match funds in the amount of \$30,000.00 as initial payment prior to construction from the Coronavirus State and Local Fiscal Recovery Fund; (7) the disbursement of the remaining portion of local match funds in the amount of \$1,470,000.00 from the Street and Transportation (A) Fund (\$1,400,000.00) and the Coronavirus State and Local Fiscal Recovery Fund (\$70,000.00); and (8) execution of the Advanced Funding Agreement with TxDOT and all terms, conditions, and documents required by the grant agreement - Total amount of \$7,380,000.00 - Financing: Texas Department of Transportation Grant Funds (\$5,880,000.00), Street and Transportation (A) Fund (2017 General Obligation Bond Fund) (\$1,400,000.00), and Coronavirus State and Local Fiscal Recovery Fund (\$100,000.00)
- On April 14, 2023, City Council approved Resolution No. 23-0505, authorizing an economic development incentive agreement with Randall's Food & Drugs LP and/or its affiliates ("Grantee/BPP Owner"), doing business as Tom Thumb, to include (1) a Chapter 380 economic development grant in the amount not to exceed \$5,200,000.00; (2) a Chapter 380 sales tax grant in the amount not to exceed \$600,000.00 over ten years; and (3) a business personal property tax abatement for a period of five years in the amount equal to the City's taxes assessed on 75 percent of the added taxable value of Grantee/BPP Owner's business personal property investment during the first five years of operation in consideration of a new full-service grocery store ("Project") within City of Dallas Tax Increment Reinvestment Zone Number Twenty - Total not to exceed \$5,800,000.00 - Financing: ECO (I) Fund (2017 General Obligation Bond Fund) (\$2,000,000.00), Public/Private Partnership Fund (\$1,661,279.89), Economic Development Fund (2006 General Obligation Bond Funds) (\$1,538,720.11), and Project Sales Tax Agreement Fund (\$600,000.00); Estimated Revenue Foregone: \$208,849.00 for a five-year period

- On June 14, 2023, City Council approved Resolution No. 23-0793, authorizing a New Markets Tax Credit transaction between the Dallas Development Fund and its subsidiaries, JPMorgan Chase and its subsidiaries, and Vogel Alcove, and its affiliates for interior construction of a new childcare facility at 3662 Camp Wisdom Road - Financing: No cost consideration to the City
- On September 27, 2023, City Council approved Resolution No. 23-1331, authorizing a professional engineering services contract with HDR Engineering, Inc. to provide three traffic corridor studies at the following locations: Masters Drive from U.S. Highway 175 to Military Parkway, St. Augustine Road from U.S. Highway 175 to Military Parkway, and Camp Wisdom Road from Cockrell Hill Road to Interstate Highway 35 - Not to exceed \$853,093.32 - Financing: General Fund

Budget and Spending Status

Each TIF district establishes a budget for the public investments necessary to support private investment in the district. As included in the Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District, the budget is shown below:

Mall Area Redevelopment TIF District Projected Increment Revenue to Retire TIF Fund Obligations			
Category	B TIF Budget**	C Allocated	B - C TIF Balance
Montfort-IH 635 Sub-District			
Public Infrastructure Improvements; Environmental Remediation & Demolition; Grants for Economic Development	\$264,229,113	\$0	\$264,229,113
Land Acquisition for Sub-District-Wide Central Open Space***	\$72,659,277	\$652,913	\$72,006,364
Sub-District-Wide Infrastructure Improvements	\$24,219,759	\$0	\$24,219,759
Westmoreland-IH 20 Sub-District			
Public Infrastructure Improvements; Environmental Remediation & Demolition; Parks, Open Space, Trails, Gateways; Grants for Economic Development	\$72,665,022	\$15,600,000	\$57,065,022
Administration and Implementation*	\$7,684,059	\$747,408	\$6,936,651
Total Project Costs	\$441,457,229	\$17,000,321	\$424,456,909
* TIF District administration costs shown are expended through FY 2022-2023			
** TIF District Budget shown above is in current dollars (updated yearly); TIF District Project Plan and Reinvestment Zone Financing Plan shows the budget in net present value.			
*** For land acquisition and associated costs; not for design, construction, maintenance, or operating/programming costs.			

Mall Area Redevelopment TIF District Project Plan Budget (NPV)*	
Category	TIF District NPV Budget (2014 dollars)
Montfort-IH 635 Sub-District	
Public Infrastructure Improvements; Environmental Remediation & Demolition; Grants for Economic Development	\$109,123,655
Set Aside for Land Acquisition for Sub-District-Wide Central Open Space	\$30,000,000
Set Aside for Sub-District-Wide Infrastructure Improvements	\$10,000,000
Westmoreland-IH 20 Sub-District	
Public Infrastructure Improvements; Environmental Remediation & Demolition; Parks, Open Space, Trails, Gateways; Grants for Economic Development	\$30,088,432
Administration and Implementation	\$3,250,000
Total Project Costs	\$182,462,088
<i>* As approved in the Project Plan and Reinvestment Zone Financing Plan.</i>	

FY 2023-2024 Work Program

The FY 2023-2024 work program for the Mall Area Redevelopment TIF District includes:

- Continued coordination with interested property owners/investors/developers on potential development incentive applications.
- Consideration of any potential TIF District boundary amendments and/or plan amendments that are necessary or convenient to further implement the Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District.
- Continued coordination and staff support for City-initiated public infrastructure projects benefitting the TIF District.
- Continued coordination with Dallas County on execution of an interlocal agreement for participation in the TIF District.
- Continued coordination and staff support for the continued implementation of the Valley View-Galleria Area Plan and the ULI vision for Southwest Center Mall (now Red Bird Mall), including funding opportunities from other governmental entities or private philanthropic entities; City bond projects; anticipated 2024 City bond program; park land acquisition; public improvement district; etc.
- Continued coordination and staff support for next steps/implementation of the Dallas Midtown Autonomous Transportation System (ATS) and Shared Parking

Feasibility Study completed in 2019 and the ATS Development Study completed in 2023 by the North Central Texas Council of Governments (NCTCOG).

- Continued coordination with Dallas Independent School District (DISD) regarding the new preK-12 vertically integrated choice school to be located in the 12-story office building at 5501 LBJ Freeway. DISD is expected to open the school in 2025.
- Continued coordination with Social Impact Architects, Inc. and the City's Office of Government Affairs to continue implementation of the Strategic Plan for the International District.

Appendix A: Financials

City of Dallas, Texas					
Mall Area Redevelopment Tax Increment Financing District Fund					
Reinvestment Zone Number Twenty					
As of September 30, 2023 (Unaudited)					
Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIF District. Information is contained in detail on the attached financial statements.					
1. Amount and source of revenue in the tax increment fund established for the Zone:					
\$24,684	Interest Income				
\$1,067,995	Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll)				
<u>\$1,092,679</u>	Total Revenue				
2. Amount and purpose of expenditures from the fund:					
\$68,031	Administrative Expense - TIF admin cost for FY 2022-2023				
\$168,767	Non-Capital Outlay - Interest Payment on RedBird Loan #1 & #2				
\$0	Capital outlay				
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)				
<u>\$236,798</u>	Total Expenditures				
3. Amount of Principal and Interest due-on outstanding indebtedness:					
The zone did not have any bonded indebtedness at fiscal year end September 30, 2023.					
4. Tax increment base and current captured appraised value retained by the zone:					
	Taxing Jurisdiction	Taxable Value 2023*	Base Year	Base Year Value	Est. Captured Value 2023
	City of Dallas - Montfort IH 635 Subdist	\$353,970,740	2014 Value	\$148,591,740	\$205,379,000
	City of Dallas - Westmoreland IH20 Subdistrict Zone A	\$42,581,920	2014 Value	\$19,765,890	\$22,816,030
	City of Dallas - Westmoreland IH20 Subdistrict Zone B	\$7,899,770	2021 Value	\$7,929,450	-\$29,680
		<u>\$404,452,430</u>		<u>\$176,287,080</u>	<u>\$228,165,350</u>
*Based on Certified Taxable Value. The final values will be determined on February 01, 2024.					
5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality:					
A. Estimated tax increment shared by the municipality and other participating taxing jurisdictions:					
	Taxing Jurisdiction		Assessment Per \$100	Estimated 2023 Increment**	
	City of Dallas		0.66213	\$1,510,751	
	Total for all Jurisdictions		\$0.66213	\$1,510,751	
**Dallas County does not participate in the zone in 2023. Participation rates for City of Dallas is as follows:					
	City of Dallas		Dallas County		
	90% for tax years 2016-2042		See Note on page 9 of this Annual Report		
	75% for tax year 2043				
	55% for tax year 2044				
B. The total amount of estimated tax increment to be billed for the 2023 tax year is \$1,510,751. For the 2022 tax year, the Zone received increment of \$1,067,995.					

Appendix A: Financials

City of Dallas, Texas						
Mall Area Redevelopment 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		\$1,901,775	\$1,048,283	\$691,706	\$890,437	\$750,409
Interest receivable		\$11,257	\$1,725	\$142	\$787	\$815
Total assets		<u>\$1,913,032</u>	<u>\$1,050,008</u>	<u>\$691,848</u>	<u>\$891,224</u>	<u>\$751,224</u>
Liabilities and Fund Balance (Deficit):						
Liabilities:						
Accounts and contracts payable		\$0.00	\$0.00	\$0.00	\$0.00	\$0
Due to other funds		\$203,784	\$196,642	\$137,115	\$85,355	\$299,939
Total liabilities		<u>\$203,784</u>	<u>\$196,642</u>	<u>\$137,115</u>	<u>\$85,355</u>	<u>\$299,939</u>
Fund Balance (Deficit):						
Fund Balance (Deficit)		\$1,709,248	\$853,366	\$554,732	\$805,869	\$451,285
Total Liabilities and Fund Equity		<u>\$1,913,032</u>	<u>\$1,050,008</u>	<u>\$691,848</u>	<u>\$891,224</u>	<u>\$751,224</u>
Mall Area Redevelopment 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	\$3,453,806	\$1,067,995	\$424,533	\$518,053	\$516,926	\$533,180
Tax increment-Intergovernmental	\$0	\$0	\$0	\$0	\$0	\$0
Interest income	\$72,524	\$48,424	\$4,946	\$2,442	\$6,982	\$6,539
Net increase (decrease) in fair value of investments	(\$43,321)	(\$23,740)	(\$20,925)	(\$1,585)	\$2,185	\$2,159
Total revenues	<u>\$3,483,009</u>	<u>\$1,092,679</u>	<u>\$408,554</u>	<u>\$518,910</u>	<u>\$526,093</u>	<u>\$541,877</u>
Expenditures:						
Administrative expenses	\$747,408	\$68,031	\$59,526	\$50,977	\$86,649	\$43,902
Non-Capital Outlay	\$374,103	\$168,767	\$50,393	\$66,817	\$84,860	\$1,057
Capital outlay	\$652,251	\$0	\$0	\$652,251	\$0	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$1,773,762</u>	<u>\$236,798</u>	<u>\$109,919</u>	<u>\$770,045</u>	<u>\$171,509</u>	<u>\$44,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$1,709,248</u>	<u>\$855,881</u>	<u>\$298,635</u>	<u>(\$251,135)</u>	<u>\$354,584</u>	<u>\$496,919</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$853,367	\$554,732	\$805,868	\$451,285	(\$45,634)
Fund balance (Deficit) at beginning of year, as restated	\$0	\$853,367	\$554,732	\$805,868	\$451,285	(\$45,634)
Fund balance (deficit) at end of year	<u>\$1,709,248</u>	<u>\$1,709,248</u>	<u>\$853,367</u>	<u>\$554,732</u>	<u>\$805,869</u>	<u>\$451,285</u>
Note: Fiscal Year 2022-23 unaudited financial statements are based on preliminary close numbers and are subject to review by the City Controller's Office prior to approval by the City Council. In case of any material changes, TIF board will be provided with the updated financial statements.						

Appendix A: Financials

City of Dallas, Texas

Mall Area Redevelopment Tax Increment Financing District

(Reinvestment Zone #20)

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. All project costs resulting in capital improvements which are owned by the City are capitalized in the City's fixed assets.
5. The Zone's Financing Plan permits expenditures not to exceed \$7,684,059 (current dollars) over the life of the Zone to reimburse the City for administrative expenses.
6. On the Balance Sheet, the "due to other funds" amount of \$203,784 on September 30, 2023 represents the Zone's administration expenses for FY 2019-2020 (\$24,467), FY 2020-2021 (\$51,760), FY 2021-2022 (\$59,526), and FY 2022-2023 (\$68,031) that have been earned but will be reimbursed to the City's General Fund based on the availability of future TIF District funds.
7. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B: Financial Obligations

As of the end of FY 2022-2023, there is one TIF funding obligation:

- Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement (Agreement) with WCWRD Inc (Developer) in an amount not to exceed \$15,600,000 (TIF Subsidy). Note: Per the Agreement, Developer has assigned all rights to receive payment of the TIF Subsidy to the City of Dallas as collateral for and in payment of a loan in an amount not to exceed \$12,000,000 from the City's Public/Private Partnership Fund. The City made the first disbursement of the Loan in an amount of \$6,000,000.00 to Developer on June 10, 2019, in accordance with the terms and conditions as set forth in the Agreement. As of September 30, 2019, notes receivable in the amount of \$6,000,000.00 had been set up in the City's Public/Private Partnership Fund, and accrued interest through September 30, 2023, was \$373,357.00 (including additional accrued interest for FY 2022-2023 of \$120,000.00). Of the outstanding accrued interest of \$373,357.00, \$84,384.00 was transferred from the Mall Area Redevelopment TIF District Fund to the Public/Private Partnership Fund to pay down a portion of the outstanding accrued interest in accordance with the terms and conditions of the Agreement. On September 30, 2023, the net accrued remaining interest balance is \$288,973.00.
- The City made the second disbursement of the Loan in an amount of \$6,000,000 to Developer on February 19, 2020, in accordance with the terms and conditions as set forth in the Agreement. As of September 30, 2020, notes receivable in the amount of \$6,000,000.00 had been set up in the City's Public/Private Partnership Fund, and accrued interest through September 30, 2023, was \$375,039.00 (including additional accrued interest for FY 2022-2023 of \$120,000.00). Of the outstanding accrued interest of \$375,039.00, \$84,384.00 was transferred from the Mall Area Redevelopment TIF District Fund to the Public/Private Partnership Fund to pay down a portion of the outstanding accrued interest in accordance with the terms and conditions of the Agreement. On September 30, 2023, the net accrued remaining interest balance is \$290,655.00.

Appendix C: Sub-District-Wide Set-Aside Funds

Consistent with the Project Plan and Reinvestment Zone Financing Plan, the Increment Allocation Policy adopted by the TIF Board for the Mall Area Redevelopment TIF District includes two sub-district-wide set asides (in the Montfort-IH 635 Sub-District) and an inter-sub-district transfer (from the Montfort-IH 635 Sub-District to the Westmoreland-IH 20 Sub-District) as described below:

Annual Process (Montfort-IH 635 Sub-District)

First, the Montfort-IH 635 Sub-District Gross Increment will pay:

- 1) Administrative Expenses: After the Total Gross Increment has been deposited into the District fund, the City's Administrative Expenses for the District will be reimbursed first in each year of the District. The Montfort-IH 635 Sub-District's portion of the District's Administrative Expenses will be paid from the Montfort-IH 635 Sub-District Gross Increment based on the ratio of the Montfort-IH 635 Sub-District Gross Increment to the Total Gross Increment.

Then, the Montfort-IH 635 Sub-District Net Increment will be transferred or set aside as follows:

- 2) Transfer to the Westmoreland-IH 20 Sub-District: Ten percent (10%) of the Montfort-IH 635 Sub-District Net Increment will be annually transferred to the Westmoreland-IH 20 Sub-District to help facilitate the revitalization and redevelopment of the Redbird Mall area.
FY 2022-2023 Transfer Amount: \$66,954
- 3) Set Aside for Sub-District-Wide Public Infrastructure Improvements: Ten percent (10%) of the Montfort-IH 635 Sub-District Net Increment will be set aside annually for Sub-District-Wide Public Infrastructure Improvements (i.e. improvements not specific to a single development site such as gateways, trails, parks/open space, public facilities, or utility/streetscape improvements benefitting multiple parcels or blocks, regardless of ownership).
FY 2022-2023 Allocation Amount: \$66,954
- 4) Set Aside for Land Acquisition for Sub-District-Wide Central Open Space: Since the long-term redevelopment potential of the area will be limited without a large central open space and since TIF funding assistance of land acquisition for the large central open space will be critical to making the Montfort-IH 635 Sub-District a dense, walkable, livable, and sustainable place, thirty percent (30%) of the Montfort-IH 635 Sub-District Net Increment will be set aside annually for Land Acquisition for Sub-District-Wide Central Open Space.
FY 2022-2023 Allocation Amount: \$200,862