Exhibit A
Southwestern Medical TIF District
FY 2022-2023
Annual Report

City of Dallas

Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
(214) 670-1685
http://www.dallas-ecodev.org.

October 1, 2022 to September 30, 2023

Reinvestment Zone Number Ten
Southwestern Medical Tax Increment Financing District

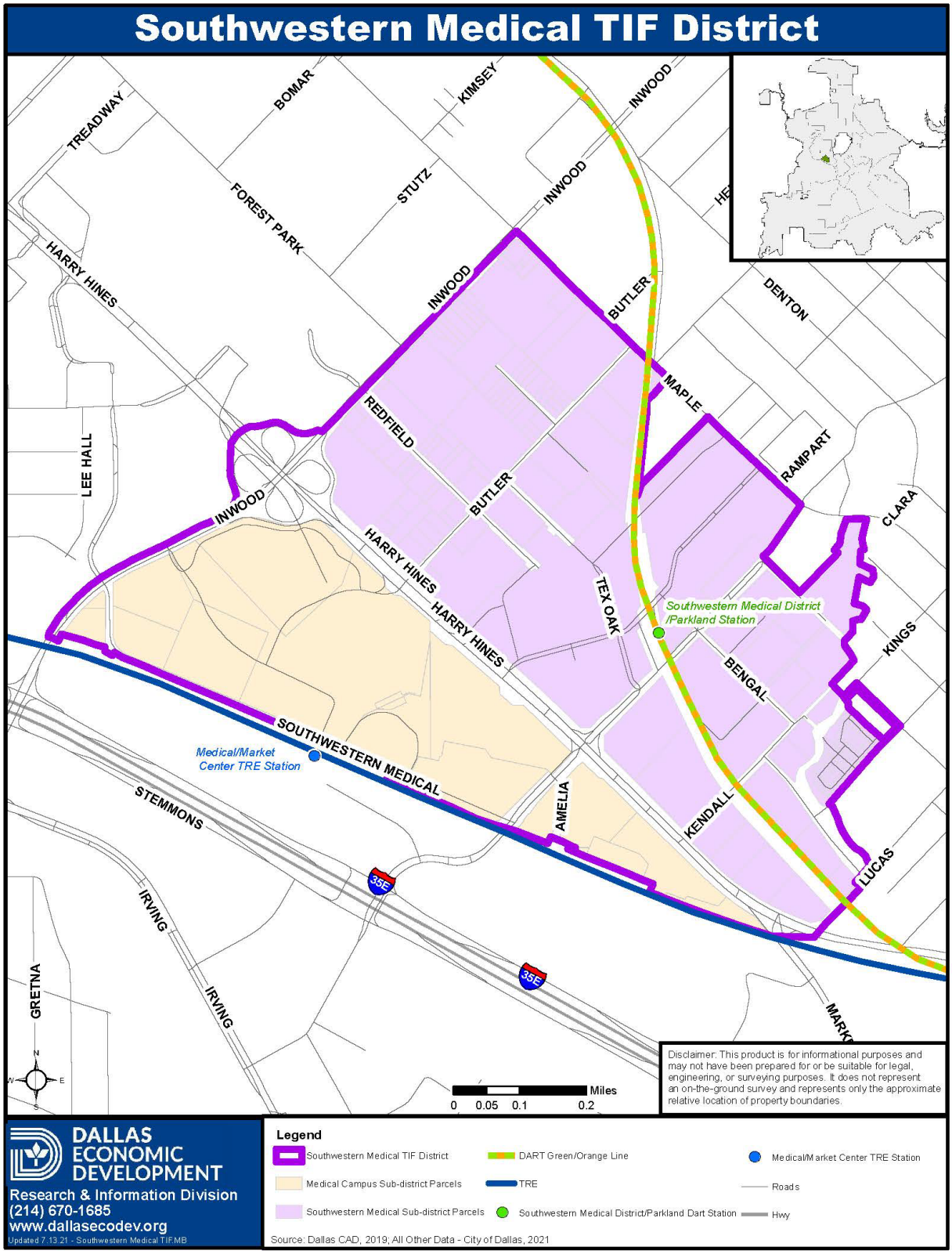

Table of Contents

TIF District Map 2
Mission Statement 4
TIF District Accomplishments 4
Southwestern Medical TIF District Projects 7
Mixed-Income Housing Summary 8
Value and Increment Revenue Summary 8
Objectives, Programs, and Success Indicators 8
Year-End Summary of Meetings 11
Budget and Spending Status 12
M/WBE Participation 14
FY 2023-2024 Work Program 14
Appendix A – Financials 15
Appendix B – Project Pay-off Estimates 18
Appendix C – District-Wide Set Aside Funds 19

Mission Statement

The mission of the Southwestern Medical Tax Increment Financing (TIF) District is to provide a source of funding for public investments anticipated to enhance the real estate market for the Southwestern Medical TIF District area. The Southwestern Medical TIF District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping a former industrial and warehouse district to take full advantage of the expanding DART light rail system, to promote transit-oriented development, especially in areas that are major employment centers like the Medical District, and to implement appropriate urban design standards.

The Dallas City Council established the Southwestern Medical TIF District by Ordinance Number 25965 on April 27, 2005. The Southwestern Medical District took effect on January 1, 2006 and is scheduled to terminate on December 31, 2027 (including collection of the 2027 increment and any related matters to be concluded in 2028) or when the budget of $31.1 million (2006 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions.

On November 11, 2020, City Council approved Ordinance No. 31706 authorizing a reduction in the City's participation rate in the TIF District. Beginning with fiscal year 2019-2020 through the remaining term of the TIF District, the City's participation rate decreased from 80% to 45%. City Council also authorized an amendment of Dallas County's participation agreement to reduce the County's participation from 55% to 30% for the remaining term of the TIF District.

As part of the amendment of the TIF District in 2020, City Council also expanded the TIF District's boundary to create two sub-districts. The original boundary of the TIF District became the Southwestern Medical Sub-district, and the new Medical Campus Sub-district was created. The Medical Campus Sub-district is scheduled to terminate on December 31, 2045 (including collection of the 2045 increment and any related matters to be concluded in 2046) or when the budget of $65 million (2020 dollars) has been collected. The City of Dallas participation rate for the Medical Campus Sub-district is 80% over the term of the new sub-district. Increment collection for the sub-district will begin in 2025.

TIF District Accomplishments

The initial development project completed in the Southwestern Medical TIF District was the Colonial Reserve at Medical District (formerly Cityville Southwestern Medical District) in 2007. The Colonial Reserve provided 45,000 square feet of retail/office space and 278 apartment units near the Southwestern Medical District/Parkland light rail station.

Vibe Medical District Apartments (formerly The Alexan Southwestern, developed by Trammel Crow Residential), a residential, transit-oriented development was completed in 2009 adding 396 luxury apartments to the TIF District. Adjacent to the Vibe Medical District Apartments at 4707 Bengal Street, the Ronald McDonald House constructed 60

units of low-cost, temporary lodging/dorm facilities for families with children receiving medical care in 2009.

The Link on Maple (formerly Maple Garden LP), a 120-apartment complex at 5219 Maple Avenue adjacent to Parkland East Parking Lot completed in the summer of 2012.

With the completion of the DART Green Line expansion (NW corridor), the Southwestern Medical District/Parkland light rail station opened December 2010. The Orange Line, which opened in 2014, runs parallel to Green Line through the TIF District.

UT Southwestern (UTSW) Medical Center continues expansion in the Medical District. In early April 2018, the Simmons Comprehensive Cancer Center opened a new Radiation Oncology Building, a $66 million structure on the east campus, with three floors and 63,000 square feet of space. Its modern design and array of leading-edge technology has garnered multiple awards.

The Phase I building of UTSW's West Campus Master Plan opened summer 2018, adding 275,000 square feet of space over 11 floors. Approximately half is used for academic and educational space, with the remainder for expansion of UTSW's Health System ambulatory clinics. Phase 1 also included the construction of a new thermal energy plant and a garage with 1,600 parking spaces to improve faculty, visitor, and patient access.

UTSW is also undertaking a $480 million expansion of its flagship William P. Clements Jr. University Hospital. The 12-story, third opened in 2021. The tower serves as the clinical home for the Peter O'Donnell Jr. Brain Institute, consolidated acute inpatient care services currently provided at Zale Lipshy University Hospital, and added operating rooms, interventional suites, a newly expanded Emergency Department and two new parking facilities.

Parkland Hospital continues to enhance patient care by adding satellite clinics to the communities they serve and by moving outpatient services from the old campus at 5201 Harry Hines to the new campus at 5200 Harry Hines. To accommodate the relocation of outpatient services, construction of a new 6-story, 500,000 square foot clinic began in February of 2019 and opened in 2021. Oncology, diabetes, breast health, infusion, ophthalmology and HIV are included among the specialty clinics that are housed in the new clinic. A new 1,400 space parking garage, located between Maple St. and the new clinic, was also completed.

Construction of a $120 million, five-story, 150,000-square-foot building, located on the East Campus of UTSW continued construction during fiscal year 2023. The facility named the Texas Instruments Biomedical Engineering and Sciences Building will support university faculty and their teams with wet and dry laboratory space, provide areas specifically designated to promote multidisciplinary interactions and a Biodesign Center that will feature a large assembly/design studio, a metal fabrication shop, and rooms for 3D printing.

In December of 2022, a groundbreaking was held to celebrate the start of construction of Dallas' first state behavioral health hospital. The 200-bed adult facility funded by the state is anticipated to complete construction by late 2025. A 96-bed pediatric wing, supported through a separate donation from Children's Health, should open in 2026.

Southwestern Medical TIF District Projects[1]

Projects Within TIF District Utilizing TIF District Funding

Project	Location	Calendar Year Complete	Status	Units/ SF[2]	Approx. Value[3]	TIF District Investment[4]
Cedar Branch Bridge[6]	Adj to Cedar Branch TH	TBD	Under design	Bridge	$826,500	$826,500
			Sub-Total		Non-Taxable Value $826,500	$826,500

Projects Within TIF District Not Utilizing TIF District Funding[5]

Project	Location	Calendar Year Complete	Status	Units/ SF[2]	Approx. Value	TIF District Investment[4]
Colonial Reserve	2222 Medical District Dr	2007	Complete	278 res. units 45,000 sf comm	$62,600,000	$0
Vibe Medical District Apts	2140 Medical District Dr	2009	Complete	396 res units	$86,000,000	$0
Parkland Ambulatory Cntr[6]	4900 Harry Hines Blvd	2006	Complete	62,267 sf medical space	$20,487,430	$0
Ronald McDonald House[6]	4707 Bengal St	2009	Complete	64,000 sf lodging	$21,095,390	$0
The Link on Maple	5219 Maple Ave	2012	Complete	120 res. units	$26,000,000	$0
Parkland Hospital[6]	5134 Harry Hines Blvd	2014	Complete	2,000,000 sf medical space	$1,004,482,260	$0
Maple Avenue Lofts	5415 Maple Ave	2015	Complete	342 res. units	$75,000,000	$0
W.P. Clements Jr. Hospital Expansion[6]	6201 Harry Hines Blvd	2021	Complete	650,000 sf medical space	$300,000,000	$0
Texas Instruments Biomedical Engineering & Science Bldg[6]	2336 Inwood Rd	2023	Complete	150,000 sf medical space	$120,000,000	$0
Texas Behavioral Health Center @ UT Southwestern[6]	Medical District Dr & Harry Hines Blvd	2026	Under Construction	TBD	$482,500,000	$0
Cedar Branch Townhomes	4623 Hawthorne Ave	2027	Under Construction	112 res. units	$41,398,336	$0
			Sub-Total	1,248 res. units 64,000 sf lodging 2,862,267 sf medical office 45,000 sf comm	Taxable Value $290,998,336 Non-Taxable Value $1,948,565,080	$0
			Total	**1,248 res. units 64,000 sf lodging 2,862,267 sf medical office 45,000 sf comm**	**Taxable Value $290,998,336 Non-Taxable Value $1,949,391,580**	**$826,500**

[1]*All information updated as of September 30, 2023.*
[2]*Based upon information from developer, news articles and/or project announcements. For completed projects, information is actual unit count 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]*Maximum TIF Subsidy amount per project's development agreement.*
[5]*Include select significant projects within the TIF District.*
[6]*Tax-Exempt properties*

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 from the TIF District are subject to the City's and County's established criteria for mixed-income housing. To date, all residential development within the TIF District has occurred without TIF District funding assistance.

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 Southwestern Medical TIF District's 2006 adjusted base year value was $67,411,054. The 2020 amendment of the TIF District's financing plan created two sub-districts: Southwestern Medical Sub-district and Medical Campus Sub-district. As a result, each sub-district has its own base year value.

Southwestern Medical Sub-district – In 2006, the Southwestern Medical sub-district's adjusted base year value was $67,411,054. The sub-district's 2023 certified taxable value is $418,087,964. This represents an increase of $350,676,910 (520%) from the adjusted base year taxable value.

The sub-district's value increased by $39,918,727 (10.6%) from the 2022 final value ($378,169,237). The increase in value over the base year taxable value will result in the collection in 2024 of approximately $1,387,910 (City - $1,160,969; County - $226,942) in incremental revenue for the TIF District.

Medical Campus Sub-district – In 2020, the base year value for the Medical Campus Sub-district was $0. Increment collection for this sub-district will begin in 2025.

Objectives, Programs, and Success Indicators

The Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan was approved in January 2006 and was amended in December 2008. In 2020, the TIF District's Project Plan and Reinvestment Zone Financing Plan was amended, and the goals and objectives were expanded to include additional public improvements as well as private development in the newly created Medical Campus Sub-district. The following objectives and action items set the framework for the planned improvements within the Southwestern Medical TIF District:

Southwestern Medical Sub-district

- Additional taxable value attributed to new private investment in projects in the Southwestern Medical TIF District shall total approximately $280 million.

  Total under construction and completed projects have added approximately $290,998,336 (104% of goal) in new taxable value to the TIF District.

- New private development in the Southwestern Medical TIF District shall add a total of approximately 300,000 square feet of retail/office space and at least 3,000 new apartment units.

  Projects under construction or completed within the TIF District have created 2,862,267 square feet of retail, medical office and commercial space (954% of goal) and 1,248 residential units (41.6% of goal).

- Support the conversion of the Southwestern Medical area from industrial and warehousing land uses to a mixed-use, transit-oriented neighborhood that complements the Medical District.

  Staff and the Board continue to foster a working relationship with Parkland, DART, and potential developers to encourage transit-oriented development that complements the area. The Colonial Reserve at Southwestern Medical and Vibe Medical District Apartments projects have resulted in the conversion of former industrial and warehousing space to residential and retail uses.

  The Stemmons Corridor - Southwestern Medical District Area Plan (Vision and Policy Plan) was adopted by the City Council in June 2010.

- Increase recreational opportunities and improved connections to the City of Dallas trails and open space system in the Southwestern Medical Area.

  The TIF District will reimburse the cost to construct the Cedar Branch Bridge and a hike and bike trial that will connect Hawthorne Avenue to the Southwestern Medical District/Parkland Station in the TIF District.

- Generate an NPV of $27.5 million (2006 dollars) or approximately $31 million in total dollars of project revenues over the 20-year life of the TIF District.

  To date, the TIF District has collected $13,050,710 in increment (42% of goal).

- Develop a grant program to promote private medical industry and economic development in the TIF District.

  In June 2009, the TIF District's Board of Directors adopted the Southwestern Medical TIF District Loan or Grant Program. The purpose of the program is to provide grants from the TIF District's tax increment fund to development projects that promote: (1) development and diversification of the economy; (2) public

infrastructure improvements including improvements to pedestrian connections and utility burial within the Southwestern Medical TIF District; 3) development of the private bio-medical industry and applied research associated with UT Southwestern Medical Center; 4) new residential development to offset the cost of affordable housing requirement 5) retail or medical office development; 6) mixed-use, transit-oriented development, including development that provides additional linkages to existing transit services; and 7) high density development by offsetting costs associated with structured parking.

Medical Campus Sub-district

- Create approximately $787 million in new taxable value attributable to new private investment in the Medical Campus Sub-district over the twenty-five (25) year life of the sub-district.

- Attract new private development in the Medical Campus Sub-district that will add a total of approximately 1.8 million square feet of office/medical office space, 300,000 square feet of hotel space, 60,000 square feet of retail space and 500 residential units.

- Generate approximately $65 million NPV in increment over the twenty-five (25) year term of the Medical Campus Sub-district.

Year-End Summary of Meetings

The Southwestern Medical TIF District Board of Directors did not meet during the 2022-2023 fiscal year.

The Board of Directors consist of six members, including five (five) City of Dallas appointees and one (1) Dallas County appointee.

The TIF District Board consisted of the following members during the fiscal year:

Pamela Bryant, City Appointee
Michael Quezada, City Appointee
Se-Gwen Tyler, City Appointee
John Wilson, City Appointee
Vacant, City Appointee
Luis Tamayo, Dallas County Appointee

During the fiscal year, City Council approved two (2) item associated with the Southwestern Medical TIF District:

- On February 22, 2023, City Council approved Resolution No. 23-0304 accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical 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 February 22, 2023, City Council approved Resolution N. 23-0287 authorizing (1) the Fifth Amendment to the Project Supplemental Agreement with Dallas County for additional construction costs for paving and drainage improvements, water and wastewater improvements, and conduit installation for Medical District Drive from Interstate Highway (IH) 35E to Southwestern Medical Avenue; and (2) payment to Dallas County for the City's share of additional construction costs for the Medical District Drive from IH 35E to Southwestern Medical Avenue - Not to exceed $303,072.00 - Financing: Street and Transportation (A) Fund (2017 General Obligation Bond Fund) ($157,171.57), Coronavirus State and Local Fiscal Recovery Funds ($78,828.43), Water Capital Improvement F Fund ($64,808.00), and Wastewater Capital Improvement G Fund ($2,264.00).

Budget and Spending Status

Southwestern Medical Sub-district Projected Increment Revenues to Retire TIF Fund Obligations			
Category	**TIF Budget***	**Allocated**	**Balance**
Paving, streetscape, utilities, public-use improvements, design & engineering	$7,449,628	$826,500	$6,623,128
Environmental remediation and demolition	$2,104,166	$0	$2,104,166
Utility burial	$3,881,556	$0	$3,881,556
Economic Development Grant	$6,006,788	$0	$6,006,788
Administration and implementation**	$800,082	$740,883	$59,199
Total Project Costs	**$20,242,220**	**$1,567,383**	**$18,674,837**

**Revenues shown above are estimated current dollars to be collected over the life of the TIF District; TIF Project Plan shows the budget in net present value (2006 dollars)*
***Administration and Implementation costs for FY 2022-2023 are included in the above allocation.*

Medical Campus Sub-district Projected Increment to Retire TIF Fund Obligations			
Category	**TIF Budget***	**Allocated**	**Balance**
Infrastructure/Utility Improvements	$29,535,545	$0	$29,535,545
Environmental Remediation and Demolition	$14,574,122	$0	$14,574,122
Mixed-Income Housing	$26,684,337	$0	$26,684,337
Economic Development TIF Grants	$25,285,481	$0	$25,285,481
Parks and Open Space	$4,143,528	$0	$4,143,528
Administration and Implementation	$2,014,225	$0	$2,014,225
Total Project Costs	**$102,237,237**	**$0**	**$102,237,237**

**Revenues shown above are estimated current dollars to be collected over the life of the TIF District; TIF District Project Plan shows the budget in net present value (2020 dollars).*

Southwestern Medical TIF District Budget	
Southwestern Medical Sub-district Project Plan Budget	
Category	**Estimated TIF Expenditure 2006 NPV Dollars**
Infrastructure/Utility Improvements[3]	$15,422,203
Environmental Remediation and Demolition	$2,863,856
Economic Development Grant	$8,264,427
Administration and Implementation	$1,000,000
Southwestern Medical Sub-district Project Costs	**$27,550,486**
Medical Campus Sub-district Project Plan Budget	
Category	**Estimated TIF Expenditure 2020 NPV Dollars**
Infrastructure/Utility Improvements	$20,000,000
Environmental Remediation and Demolition	$10,000,000
Mixed Income Housing	$16,100,000
Economic Development TIF Grants	$15,256,000
Parks and Open Space	$2,500,000
Administration and Implementation	$1,215,283
Medical Campus Sub-district Project Costs	**$65,071,283**
Southwestern Medical TIF District Total Budget	**$92,621,769**

M/WBE Participation

Public bidding is not required for TIF District projects. All TIF District-funded projects must follow the City's adopted Business Inclusion and Development Plan 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 TIF District projects listed below was twenty-five percent (25%) M/WBE participation in construction costs. During fiscal year 2020-2021, City Council increased the BID Plan goal for construction costs to thirty-two percent (32%).

M/WBE Participation			
Project	**Contractor**	**Total Contract Award Amount**	**Percentage Minority Participation**
Colonial Reserve at Southwestern Medical [1]	Davis Excavation	$1,376,916.70	27.71% ($381,544)
[1] voluntarily participated in the M/WBE program			

FY 2023-2024 Work Program

The work program for FY 2023-2024 for the Southwestern Medical TIF District includes:

- Adoption of the FY 2022-2023 Annual Report.
- Increase recreational opportunities and improved connections to the City of Dallas trails and open space system in the Southwestern Medical area.
- Assist with facility improvements included in Medical District Master Plan coordinated/adopted by Parkland Health and Hospital System, Children's Medical Center, and UT Southwestern Medical Center.
- Investigate the request to expand the TIF District to include the Pegasus Park development.
- Investigate the reconfiguration or termination of the Medical Campus Sub-district.

Appendix A – Financials

City of Dallas, Texas
Southwestern Medical 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	$13,280,086	$11,827,924	$10,924,753	$9,871,566	$8,187,630
Interest receivable	$70,563	$19,465	$2,252	$7,646	$8,877
Total assets	$13,350,649	$11,847,389	$10,927,006	$9,879,212	$8,196,506
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	$0	$0	$0	$0	$0
Advances from developers	$0	$0	$0	$0	$0
Due to general fund	$212,726	$238,857	$189,964	$126,476	$46,417
Accrued liability	$0	$0	$0	$0	$0
Total liabilities	$212,726	$238,857	$189,964	$126,476	$46,417
Fund Balance (Deficit):					
Fund Balance (Deficit)	$13,137,924	$11,608,532	$10,737,041	$9,752,736	$8,150,089
Total Liabilities and Fund Equity	$13,350,649	$11,847,389	$10,927,006	$9,879,212	$8,196,506

Southwestern Medical 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	$10,975,564	$1,069,499	$919,312	$857,417	$1,329,558	$1,224,644
Tax increment-Intergovernmental	$2,265,840	$207,640	$178,759	$175,371	$298,065	$254,295
Interest income	$908,061	$364,360	$58,146	$29,924	$80,730	$126,826
Developer Participation & other revenue	$1,481,970	$0	$0	$0	$0	$0
Net increase (decrease) in fair value of investments	($270,866)	($57,469)	($235,834)	($15,759)	$22,802	$36,782
Total revenues	$15,360,569	$1,584,030	$920,383	$1,046,953	$1,731,155	$1,642,548
Expenditures:						
Administrative expenses	$740,883	$54,639	$48,892	$62,648	$128,509	$48,074
Non-Capital Outlay	$0	$0	$0	$0	$0	$0
Capital outlay	$1,481,762	$0	$0	$0	$0	$0
Interest and fiscal charges	$0	$0	$0	$0	$0	$0
Total expenditures	$2,222,645	$54,639	$48,892	$62,648	$128,509	$48,074
Excess (Deficiency) of Revenues over Expenditures	$13,137,924	$1,529,392	$871,491	$984,305	$1,602,647	$1,594,473
Fund balance (Deficit) at beginning of year as previously reported	$0	$11,608,532	$10,737,041	$9,752,736	$8,150,089	$6,555,616
Fund balance (Deficit) at beginning of year, as restated	$0	$11,608,532	$10,737,041	$9,752,736	$8,150,089	$6,555,616
Fund balance (deficit) at end of year	$13,137,924	$13,137,924	$11,608,532	$10,737,041	$9,752,736	$8,150,089

Note: Fiscal year 2022-2023 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 updated finacial statements.

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District Fund
Reinvestment Zone Number Ten
As of September 30, 2023

Section 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:**

306,891	Interest Income
1,277,140	Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll)
$1,584,030	**Total Revenue**

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

$54,639	Administrative Expense - TIF admin cost for FY 2022-2023
$54,639	**Total Expenditures**

3. **The Zone began reimbursing the general fund for administrative costs in fiscal year 2008-09.**

4. **a. Amount of Principal and Interest due-on outstanding bonded indebtedness is as follows:**
Southwestern Medical TIF District has incurred no bonded indebtedness as of September 30, 2023.

5. **The Zone entered into a development agreement with Texas InTownHomes, LLC for the development of Cedars Branch Bridge project in an amount not to exceed $826,500 with payment to begin after project completion, subject to availability of TIF funds.**

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

Taxing Jurisdiction	Taxable Value 2023[1]	Base Year 2005 Value	Base Year 2020 Value	Est. Captured Value 2023[2]
City of Dallas - Southern Medical Sub-district	$418,087,964	$67,411,054	-	$350,676,910
City of Dallas - Medical Campus Sub-district	$0	-	$0	$0
Dallas County - Southern Medical Sub-district	$418,087,964	$67,411,354	-	$350,676,610
Dallas County - Medical Campus Sub-district	$0	-	$0	$0

[1]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.
[2]Based on Dallas Central Appraisal District certified taxable value. The final values will be determined on February 1, 2024.

7. **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 - Southern Medical Sub-district	0.33107	$1,160,969
City of Dallas - Medical Campus Sub-district	0.33107	$0
Dallas County - Southern Medical Sub-district	0.06472	$226,942
Dallas County - Medical Campus Sub-district	0.06472	$0
Total for all Jurisdictions	$0.79156	$1,387,910

Note: City Ordinance No. 31706 reduced the City's participation rate from 80% to 45% in the Southwestern Medical Sub-district. County participation rate in the Southwestern Medical Sub-district can be reduced from from 55% to 30% for 2020 to 2027.

b. The total amount of estimated tax increment to be billed for the 2023 tax year is $1,387,910.

c. For the 2022 tax year, increment in the amount of $1,277,140 was received.

d. City Ordinance No. 31706 also established the Medical Campus Sub-District in which the City will participate at 80%. This sub-district will begin increment collection in fiscal year 2024-2025 (collection of tax year 2024 increment in 2025).

City of Dallas, Texas
Southwestern Medical 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 provides for staffing and other administrative expenses by the City of Dallas not to exceed $2,814,307 (in current $) over the life of the Zone. The City began billing the Zone for administrative costs in FY 2006-2007. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.

5. Beginning January 1, 2020, City Ordinance number 31706 established the new Medical Campus Sub-district. The Medical Sub-district term is set for twenty-five (25) years and will terminate December 31, 2045, with only twenty-one (21) years of actual increment collection. The sub-district will begin increment collection in 2025 (collection of tax year 2024 increment in 2025). The City of Dallas will participate at a rate of 80%.

6. "Due to general fund" amount of $212,723 on September 30, 2023, represents the Zone administration costs for the fiscal year 2018-2019 ($45,707), fiscal year 2020-2021 ($63,488), fiscal year 2021-2022 ($48,892) and fiscal year 2022-2023 ($54,639) 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 by other City departments.

7. All project costs resulting in public improvements which are owned by the City are capitalized.

Appendix B – Project Pay-off Estimates

Project Name	TIF Award	Estimated Payoff
Cedar Branch Bridge	$826,500	TBD

Appendix C – District-Wide Set Aside Funds

The TIF Increment Allocation Policy adopted by the Southwestern Medical TIF District Board of Directors currently provides for 10% of annual increment, after administrative expenses, to be set-aside for District-Wide Improvements. To date, approximately $1,305,071 has been collected and is available for expenditure as a District-Wide Set-Aside.

Potential uses as defined by the Increment Allocation Policy include:

- Gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

The Cedar Branch Bridge Project will be reimbursed from the District-Wide Improvement Set-Aside and will be given a payment priority until the $826,500 subsidy is paid.