

Exhibit A

Cypress Waters TIF District FY 2022-2023 Annual Report



Source: Billingsley Company



City of Dallas

Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
(214) 670-1685

www.dallas-ecodev.org/redevelopment

October 1, 2022 to September 30, 2023

Reinvestment Zone Number Nineteen

Cypress Waters Tax Increment Financing District

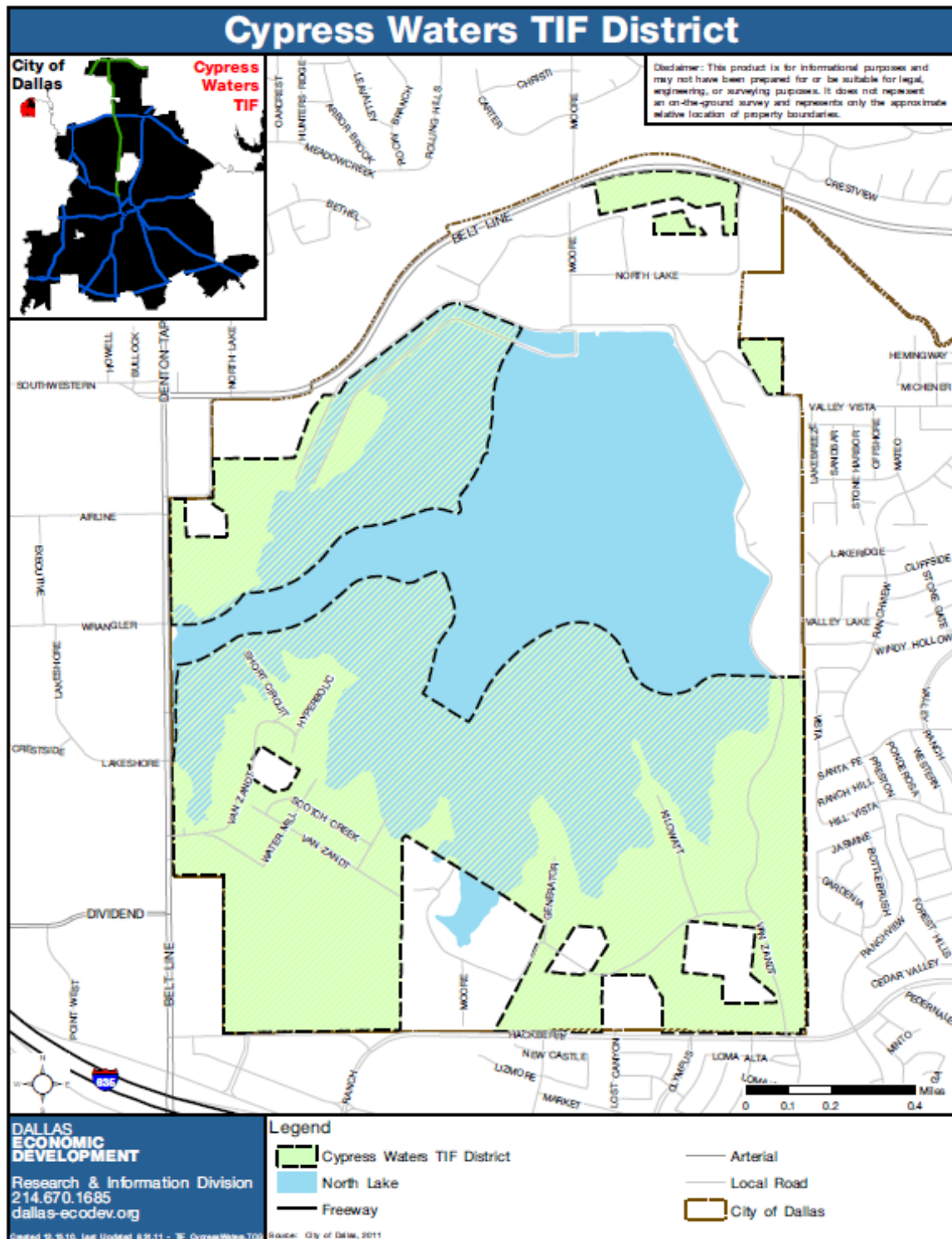


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Mission Statement

The Cypress Waters Tax Increment Financing (TIF) District (the “TIF District”) represents the outgrowth of the City of Dallas’ effort to provide a model for supporting the development of land near DFW Airport and to take full advantage of the planned expansion of the DART light rail system along the Cotton Belt Line.

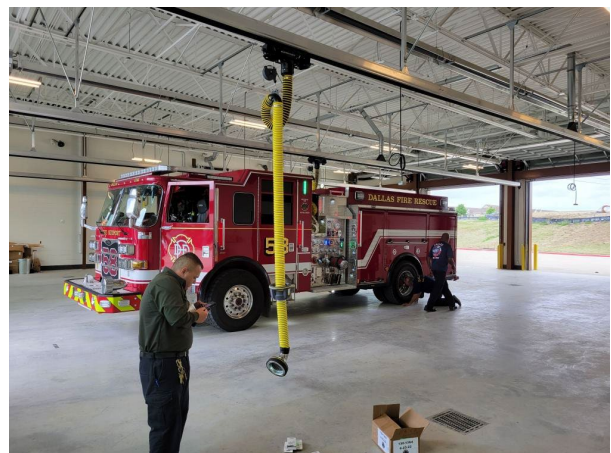
The Cypress Waters TIF District was established on December 8, 2010 to encourage the initial development of a large tract of undeveloped land within the city of Dallas (approximately 1,661 acres in total) surrounding North Lake. This TIF District promotes the creation of pedestrian-oriented, traditional neighborhood development (TND) containing multifamily and single-family residential development, a potential senior housing component, pedestrian-oriented retail development, offices, and additional commercial development.

The City Council established the Cypress Waters TIF District by Ordinance Number 28074 on December 8, 2010. The Cypress Waters TIF District began collecting funds on January 1, 2012, and it is scheduled to terminate on December 31, 2040 (including collection of the 2040 increment in calendar year 2041 and any related matters to be concluded in 2041) or when the full budget has been collected or when all of the TIF District’s obligations have been retired. The City of Dallas and Dallas County are the two participating jurisdictions. The City started to participate at 85% in 2012. The County’s participation is 55% from 2014 to 2033 or until the County’s participation reaches its budget limit of \$10,500,000 (NPV).

In 2015, City Council amended the TIF District’s Project Plan to remove approximately 28 acres on the northern end of the TIF District, making the amended base value \$71,317. City Council also reduced the budget from \$65,698,583 to \$25,779,665 NPV, 2010 dollars. The new budget provided for Cypress Waters Phases 1 and 2 infrastructure projects, construction of a temporary public safety building within the TIF District, a budget line item for a future permanent public safety building, administration expenses, and funding to support a proposed interlocal agreement with the City of Irving to more efficiently provide water service to the TIF District.

TIF District Accomplishments

Construction of the Cypress Waters Public Safety Building/Fire Station 58 completed during FY 2022-2023, and a Certificate of Occupancy was issued for the facility by the City of Dallas on March 1, 2023. The developer transferred ownership of both the land and public safety building on April 17, 2023. The facility houses Dallas Fire Rescue (office, living quarters, and apparatus storage space), Dallas Police Department (small office space), and a small meeting space for the community. A fire training tower was also constructed on the site.



Cypress Waters District Master Plan



TIF District Projects

Projects Within the Cypress Waters TIF District Utilizing or Supported by TIF District Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF District Investment ⁴
Cypress Waters Phase 1 <i>Public Infrastructure Improvements & 814 Residential Units (listed below)</i>	Cypress Waters Blvd. & Chapel Oaks Dr., northeast of Belt Line and Hackberry Rd.	2014	Complete	N/A	N/A	\$9,527,524*
<i>Parsons Green I</i>	3325 Scotch Creek Dr. 3330 Scotch Creek Dr.	2014	Complete	65 res. units	\$17,196,600	-
<i>Scotch Creek</i>	3211 Scotch Creek Dr. 3220 Scotch Creek Dr.	2014	Complete	608 res. units	\$89,210,530	-
<i>Sycamore Park</i>	9190 Cypress Waters Blvd.	2014	Complete	Included in Scotch Creek	\$23,789,470	-
<i>Parson's Green II</i>	3451 Chapel Oaks Dr.	2016	Complete	141 res. units	\$37,303,400	-
Cypress Waters Phase 2 <i>Public Infrastructure Improvements</i>	Cypress Waters Blvd. and Saintsbury St.	2015	Complete	N/A	N/A	\$6,522,398*
Cypress Waters Public Safety Building/Fire Station 58	9393 Watermill Rd	2023	Complete	16,800 sf public bldg	\$12,300,000	\$12,300,000
Subtotal				814 res. units 16,800 sf public bldg	\$179,800,000	\$28,349,922
Projects Within the Cypress Waters TIF District Not Utilizing or Supported by TIF District Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF District Investment ⁴
Single Tenant Office Bldg	8950 Cypress Waters Blvd.	2015	Complete	175,585 sf office	\$31,250,000	\$0
Multi-Tenant Office Bldg	8951 Cypress Waters Blvd.	2015	Complete	187,710 sf office	\$32,850,000	\$0
Multi-Tenant Office Bldg	8840 Cypress Waters Blvd.	2015	Complete	166,140 sf office	\$28,100,000	\$0
Single Tenant Office Bldg	9001 Cypress Waters Blvd.	2016	Complete	214,520 sf office	\$37,900,000	\$0
Single Tenant Office Bldg	3001 Hackberry Rd	2016	Complete	327,183 sf office	\$56,265,920	\$0
Single Tenant Office Bldg	9111 Cypress Waters Blvd.	2017	Complete	217,000 sf office	\$39,500,000	\$0
Signet Repair Center	9121 Watermill Rd.	2017	Complete	31,000 sf office	\$4,371,130	\$0
Signet Jewelers/Zales Campus	9797 Rombauer Rd	2018	Complete	250,000 sf office	\$44,520,000	\$0

The Sound Retail	3111 Olympus Blvd	2018	Complete	35,000 sf retail	\$5,750,000	\$0
The Wharf at The Sound	9655 Wharf Rd	2018	Complete	296 res. units	\$65,000,000	\$0
Bleecker Street at The Sound	3333 Bleecker St	2018	Complete	243 res. units	\$50,500,000	\$0
Brinker International	3000 Olympus Blvd.	2018	Complete	216,400 sf office	\$39,050,000	\$0
Multi-Tenant Office Building	3100 Olympus Blvd.	2018	Complete	250,000 sf office	\$42,511,750	\$0
Nokia of America Corporation	3201 Olympus Blvd	2018	Complete	250,000 sf office	\$46,431,250	\$0
Multi-Tenant Office Bldg	3200 Olympus Blvd	2020	Complete	250,000 sf office	\$44,940,000	\$0
Harpers Bay at The Sound	9553 Rombauer Rd	2019	Complete	272 res. units	\$55,822,390	\$0
Byron Bay at The Sound	9707 Harpers Rd	2019	Complete	262 res. units	\$53,500,000	\$0
Bleeker Townhomes	3304 Bleecker St 3335 Olympus Blvd	2020	Complete	50 res. units	\$11,700,000	\$0
Rombauer Townhomes	9595 Rombauer Rd	2020	Complete	14 res. units	\$3,250,000	\$0
Multi-Tenant Office Bldgs	3401 Olympus Blvd 3501 Olympus Blvd	2020	Complete	420,000 sf office	\$70,825,060	\$0
Sage Hill @ Cypress Waters	8875 Chaparral Waters Way	2022	Complete	385 res units	\$71,202,400	\$0
Multi-Tenant Office Building	2999 Olympus Blvd	2022	Complete	300,000 sf office	\$55,800,000	\$0
Flats on Olympus	2829 Olympus Blvd	2022	Complete	93 res units	\$18,673,220	\$0
Hastings End	9600 Wharf Blvd	2023	Complete	499 res units	\$38,000,000	\$0
Single Tenant Office Building	3300 Olympus Blvd	2023	Complete	300,000 sf office	\$51,221,950	\$0
Subtotal				2,116 res units 3,555,538 sf office 35,000 sf retail	\$998,935,070	\$0
Total				2,930 res units 3,555,538 sf office 35,000 sf retail 16,800 sf public bldg	\$1,178,735,070	\$28,349,922

¹ All information updated as of September 30, 2023.

² Based upon either the incentive application, required minimum stated in the development agreement or project information from outside sources. May be updated for completed projects based on actual unit mix and square footage.

³ Reflects 1) DCAD value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction.

⁴ Principal amount not to be exceeded per the development agreement. Asterisk indicates TIF District investment does not include interest.

Note:

Dallas Water Utilities has committed over \$2.2 million to water and wastewater infrastructure improvements within the TIF District.

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in residential projects using direct, site-specific funding assistance from the TIF District are subject to the City's and County's established criteria for mixed-income housing. In this TIF District, four residential projects were supported by TIF District funding. Of the 814 residential units constructed with the support of TIF District funding, 163 (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 Cypress Waters TIF District's adjusted base year taxable value for 2010 was \$71,437. This base value reflects final adjusted 2010 values for parcels in the TIF District. The TIF District's 2023 certified taxable value is \$1,138,425,870. This represents an increase of approximately \$1,138,354,553 (1,593,508%) over the adjusted base year value.

The TIF District's value increased by \$236,331,293 (26%) from the previous year's final value (\$902,094,577). This increase in TIF District value over the base year value will result in the collection in 2024 of approximately \$8,469,243 in incremental revenue for the TIF District (City - \$7,118,643; County - \$1,350,600). The final amount of increment collected may increase as roll back taxes for 2023 are paid.

Objectives, Programs, and Success Indicators

The Cypress Waters Project Plan and Reinvestment Zone Financing Plan was adopted on June 8, 2011. In 2015, the TIF District's Project Plan and Reinvestment Zone Financing Plan was amended, and two of the development goals and objectives were revised to reflect a decrease in the budget for the TIF District. The amended goals are in bold. Specific actions addressing each goal and objective follow in italics.

- Create additional taxable value attributable to new private investment in projects in the Cypress Waters TIF District totaling approximately ~~\$2.2 billion~~ **\$1.5 billion** over the thirty-year life of the TIF district.

The TIF District has seen an increase in value of approximately \$1.14 billion, (or 76% of amended goal) from a combination of agricultural exemption being

removed from some parcels and completed private development within the TIF District.

- Attract new private development, including approximately 10,000 new residential units, 4,000,000 square feet of commercial space (including approximately 700,000 square feet of data center use and 2,000,000 square feet of light warehouse/industrial use), and an estimated 150,000 square feet of pedestrian-oriented retail space, all of which are anticipated to create an estimated 9,000 on-site jobs.

Three residential development projects supported by Phase 1 public infrastructure improvements were completed by December 2014, adding 673 multi-family units to the TIF District (including 135 affordable units). Construction of an additional 141 residential units, as part of Phase II of the Parson's Green development, was completed during the 2016 fiscal year. In total, approximately 814 residential units (inclusive of approximately 163 affordable units) have been supported by TIF District funding. An additional 2,116 residential units were completed all without the assistance of TIF District funding. Approximately 2,930 residential units have completed construction within the TIF District, representing 29% of the housing goal.

In total, approximately 3,555,538 square feet of office space has completed construction within the TIF District, representing 89% of the commercial space goal.

During FY 2018-2019 construction of 35,000 square feet of retail was completed in the TIF District, representing 23% of the pedestrian-oriented retail space goal.

To date, an estimated 18,024 on-site jobs have been added to the TIF District, exceeding the on-site jobs goal of 9,000.

- To improve ridership on Dallas Area Rapid Transit (DART) via the planned expansion along the Silver Line (formerly called the Cotton Belt Line).

The master plan for the District includes development adjacent to the planned Silver Line Station on the north side of the District. See page 6. Citing delays from COVID-19, agreements on land and rail access, DART announced during the 2020-2021 fiscal year that the opening of the 26-mile east-west Silver Line will be pushed back to 2024. Completion of the project was pushed back again to late 2025/early 2026 by DART during the fiscal year.

- Improve recreational opportunities for the community and the future residents within the TIF District via extensive, publicly accessible green space on the site along the lake edge and along power line easements, in addition to multiple parks, hike and bike trails, and pedestrian connections throughout the District.

Additional open space may be available through the utilization of Coppell ISD land and as part of an MMD and/or TIF District-funded public amenity center.

The Phase 1 development installed wide sidewalks leading to the adjacent power line easement and to a future connection to the lake trail.

The Phase 2 development installed a combination cycle track and pedestrian path along Cypress Waters Boulevard and three large green spaces in the TIF District.

In 2018, Dallas County provided \$3 million for the construction of a trail that connects the TIF District with Irving's Campion Trail providing a continuous 12-mile trail from Cypress Waters to Irving's Las Colinas Urban Center. The trail opened in October of 2019.

- Create a model for exceptional development standards in terms of its complexity, scope, design, environmental sensitivity, and connectivity.

The private development and public infrastructure improvements completed with Cypress Waters Phases 1 and 2 projects are a model for dense, pedestrian-oriented development on under-utilized, infill property.

On August 13, 2012, the TIF District Board approved the Urban Design Guidelines for Projects Located in City of Dallas Tax Increment Financing Districts.

The City Design Studio reviewed design for the Phase 2 public and private development, which provided pedestrian and bicycle connectivity between the housing, commercial, and recreational space.

Coppell Independent School District opened Richard J. Lee Elementary School in the fall of 2014. Lee Elementary was the first net-zero elementary school in the state of Texas. The campus includes daylight harvesting, rainwater collection, and geothermal heating and cooling.

- Generate an NPV of ~~\$65 million~~ **\$26 million** or approximately ~~\$160 million~~ **\$45 million** in total dollars in projected TIF District revenues over the 30-year life of the TIF District.

City participation in TIF District increment collections began in tax year 2012. As of the end of the 2022-2023 fiscal year, approximately \$39.6 million in TIF District revenue has been generated, representing 88% of the TIF District's amended goal.

Year-End Summary of Meetings and City Council Items

The Cypress Waters TIF District Board of Directors met once during the 2022-2023 fiscal year on January 30, 2023.

The Board of Directors consists of seven (7) members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2022-2023, the Cypress Waters TIF Board consisted of the following members:

Marijke Lantz, City appointee (Attended 0 of 1 meeting)
Claire Oliver, City appointee (Attended 1 of 1 meeting)
Staci Reznik, City appointee (Attended 0 of 1 meeting)
Derek Sandler, City appointee (Attended 1 of 1 meeting)
Victor Toledo, City appointee (Attended 1 of 1 meeting)
City appointee - Vacant
Luis Tamayo, Dallas County appointee (Attended 1 of 1 meeting)

During fiscal year 2022-2023, the City Council approved one (1) item directly or indirectly associated with the Cypress Waters TIF District. The City Council action is listed below:

- On February 22, 2023, City Council approved Resolution No. 23-0313 accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nineteen (Cypress Waters 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.

Budget and Spending Status

Each TIF district, in the Project Plan and Reinvestment Zone Financing Plan, establishes a budget for public investment expenditures necessary to support private investment in the district. The TIF District's budget was reduced in 2015. The amended budget and spending status are shown below.

Cypress Waters TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget	Allocated	Balance
Public infrastructure improvements	\$30,278,022	\$19,600,000	\$10,678,022
Public safety improvements	\$12,300,000	\$12,300,000	\$0
Administration and implementation**	\$2,630,474	\$521,214	\$2,109,260
Total project costs	\$45,208,496	\$32,421,214	\$12,787,282
*Budget shown above in current dollars, updated yearly; TIF District Project Plan shows the budget in net present value. Values above do not include estimated interest on TIF District subsidies.			
**Administration and implementation costs for FY 2022-2023 are included in the above allocation.			

Cypress Waters TIF District Project Plan Budget (NPV, 2010 dollars)	
Category	TIF Budget*
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$17,459,665
Public safety	\$6,820,000
Administration and implementation	\$1,500,000
Total project costs	\$25,779,665
* As approved in the Final Project Plan and Reinvestment Zone Financing Plan.	

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-funded projects listed below was 25 percent (25%) M/WBE participation in construction costs. During fiscal year 2020-2021, City Council increased the BID Plan goal for construction costs to 32 percent (32%).

Cypress Waters TIF Project M/WBE Participation (completed projects only)					
Project	Total Construction Contract Amount	Local M/WBE Amount	Non-Local M/WBE Amount	Total M/WBE Participation	Total M/WBE Participation Percentage
Cypress Waters Phase I	\$9,301,593	\$914,998	\$1,077,591	\$1,992,589	21%
Cypress Waters Phase II	\$6,273,789	\$695,260	\$552,087	\$1,247,346	20%
Cypress Waters Public Safety Building/Fire Station 58	\$8,728,079	\$458,604	\$3,610,542	\$4,069,146	47%
Totals	\$24,303,461	\$2,068,861	\$5,240,220	\$7,309,082	30%

FY 2023-2024 Work Program

Items for the Cypress Waters TIF District include:

- Adoption of FY 2022-2023 Annual Report
- Encourage development projects within the TIF District, in accordance with the Project Plan and Reinvestment Zone Financing Plan.
- Continue annual disbursement of funding to TIF District-funded projects
- Conduct City audit of TIF District projects completed by June 1, 2023 and begin payment process for completed projects.
- Explore and analyze Hensley Field Master Plan's (adopted by City Council on December 14, 2022) recommendation to amend the Cypress Waters TIF District to add Hensley Field, a City-owned property in southern Dallas, to the district to support redevelopment of the 738-acre property.

Appendix A: TIF District Financials

City of Dallas, Texas
 Cypress Waters Tax Increment Financing District Fund
 Balance Sheet as of September 30, 2023 (Unaudited)
 With Comparative Totals for September 30, 2022, 2021, 2020 and 2019 (Audited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:					
Pooled cash and cash equivalents	\$1,268,796	\$5,713,929	\$232,452	\$179,190	\$403,426
Interest receivable	\$6,655	\$9,403	\$55	\$138	\$435
Total assets	<u>\$1,275,451</u>	<u>\$5,723,333</u>	<u>\$232,507</u>	<u>\$179,328</u>	<u>\$403,862</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$304,152	\$246,708	\$205,698	\$192,052	\$90,514
Total liabilities	<u>\$304,152</u>	<u>\$246,708</u>	<u>\$205,698</u>	<u>\$192,052</u>	<u>\$90,514</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	<u>\$971,298</u>	<u>\$5,476,624</u>	<u>\$26,809</u>	<u>(\$12,724)</u>	<u>\$313,348</u>
Total Liabilities and Fund Equity	<u>\$1,275,451</u>	<u>\$5,723,333</u>	<u>\$232,507</u>	<u>\$179,328</u>	<u>\$403,862</u>

Cypress Waters Tax Increment Financing District Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
 For the period September 30, 2023 (Unaudited)
 With Comparative Totals for September 30, 2022, 2021, 2020 and 2019 (Audited)

	<u>ITD</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Tax increment-Governmental	\$27,132,614	\$5,718,196	\$5,267,523	\$4,940,532	\$3,544,063	\$2,757,927
Tax increment-Intergovernmental	\$5,164,085	\$1,015,587	\$994,010	\$980,648	\$721,490	\$569,205
Interest income	\$217,883	\$127,363	\$25,288	\$7,023	\$11,603	\$7,799
Net increase (decrease) in fair value of investments	<u>(\$39,268)</u>	<u>\$72,784</u>	<u>(\$114,341)</u>	<u>(\$289)</u>	<u>\$1,079</u>	<u>\$11,816</u>
Total revenues	<u>\$32,475,313</u>	<u>\$6,933,930</u>	<u>\$6,172,481</u>	<u>\$5,927,913</u>	<u>\$4,278,235</u>	<u>\$3,346,746</u>
Expenditures:						
Administrative expenses	\$521,214	\$57,444	\$41,010	\$44,069	\$101,695	\$30,514
Non-Capital Outlay	\$3,129,156	\$0	\$111,348	\$967,195	\$2,050,613	\$0
Capital outlay	\$27,853,645	\$11,381,812	\$570,307	\$4,877,116	\$2,452,000	\$3,832,442
Interest and fiscal charges	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total expenditures	<u>\$31,504,015</u>	<u>\$11,439,256</u>	<u>\$722,665</u>	<u>\$5,888,380</u>	<u>\$4,604,307</u>	<u>\$3,862,956</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$971,298</u>	<u>(\$4,505,326)</u>	<u>\$5,449,816</u>	<u>\$39,533</u>	<u>(\$326,072)</u>	<u>(\$516,209)</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$5,476,624	\$26,809	(\$12,724)	\$313,348	\$829,558
Fund balance (Deficit) at beginning of year, as restated	<u>\$0</u>	<u>\$5,476,624</u>	<u>\$26,809</u>	<u>(\$12,724)</u>	<u>\$313,348</u>	<u>\$829,558</u>
Fund balance (deficit) at end of year	<u>\$971,298</u>	<u>\$971,298</u>	<u>\$5,476,624</u>	<u>\$26,809</u>	<u>(\$12,724)</u>	<u>\$313,348</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.

City of Dallas, Texas
 Cypress Waters Tax Increment Financing District Fund
 Reinvestment Zone Number Nineteen
 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:

\$200,147	Interest Income
\$6,733,783	Ad Valorem Taxes (Collected in FY 2022-2023 based on 2022 Final Tax Roll)
<u>\$6,933,930</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$57,444	TIF Administrative Expense for FY 2022-2023
\$0	Non-Capital Outlay
\$11,381,812	Capital Outlay ¹
<u>\$11,439,256</u>	Total Expenditures

¹Capital Outlay: Cypress Waters Public Safety Building/Fire Station 58
 \$11,381,812 Public Safety Building/Fire Station 58
 \$0 Engineering & Architectural Fees
\$11,381,812 Total Capital Outlay expenditures

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

Cypress Waters TIF District has incurred no bonded indebtedness as of September 30, 2023.

b. The TIF District has entered into a development agreement for each of the following projects and their status is as follows as of September 30, 2023:

Developer	Project	Balance Due (Since Inception)			Payment To Date			Net Balance Due
		Principal	Accrued Add'l Subsidy (1)	Total Due	Principal	Accrued Add'l Subsidy (1)	Total Paid	
Billingsley LD, Ltd.	Cypress Waters Phase I	\$9,527,524	\$1,496,887	\$11,024,410	\$9,527,524	\$1,496,887	\$11,024,410	\$0
Billingsley LD, Ltd.	Cypress Waters Phase II	\$6,522,398	\$1,948,156	\$8,470,554	\$6,522,398	\$1,948,156	\$8,470,554	\$0
Billingsley LD, Ltd.	CW Public Safety Bldg. Project	\$12,300,000	\$0	\$12,300,000	\$11,381,812	\$0	\$11,381,812	\$918,188

(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:

Taxing Jurisdiction	Taxable Value 2023*	Base Year 2010 Value	Est. Captured Value 2023**
City of Dallas	\$1,138,425,870	\$71,317	\$1,138,354,553
Dallas County	\$1,138,425,870	\$71,317	\$1,138,354,553

*Taxable value shown for participating taxing jurisdictions. County began participating in tax year 2014. County values may vary slightly from City values due to different exemption levels.

**Based on Certified Taxable Value. The final values will be determined on February 1, 2024.

5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, an 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	Amount of	
	Assessment Per \$100*	Estimated 2023 Increment*
City of Dallas	0.62535	\$7,118,643
City of Dallas-2017 PH I Rollback Taxes	0.00000	\$0
Dallas County	0.11864	\$1,350,600
Dallas County-2017 PH I Rollback Taxes	0.00000	\$0
Total for all Jurisdictions	<u>\$0.74399</u>	<u>\$8,469,243</u>

*Participation rates for City of Dallas and Dallas County are 85% for tax years 2012 to 2034 and 55% for tax years 2014 to 2033 respectively.

b. The total amount of estimated tax increment to be billed for the 2023 tax year is \$8,469,243

c. For 2022 tax year, the Zone received increment of \$6,733,783

City of Dallas, Texas
Cypress Waters 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. The Zone fund'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.
3. 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).
4. The Zone's Financing Plan provides for staffing and other administrative expenses by the City of Dallas not to exceed \$2,630,474 (in Current \$) over the life of the Zone. The City began billing the Zone for administrative costs in FY 2009-2010. 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 \$304,152 on September 30, 2023, represents the Zone administration costs for the fiscal year 2010-2013 (\$60,000), fiscal year 2018-2019 (\$37,176), fiscal year 2019-2020 (\$64,363), fiscal year 2020-2021 (\$44,159), fiscal year 2021-2022 (\$41,010) and fiscal year 2022-2023 (\$57,444) that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF District funds. Note that these administrative costs do not include billing to other City departments.
6. All 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	TIF District	
		Award	Pay-Off Date
Billingsley LD, Ltd.	Cypress Waters Public Safety Bldg	\$12,300,000	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; and/or
- (4) Completion dates of projects listed in the District's reimbursement queue

Appendix C: TIF District Set-Aside Funds

There are no TIF District set-aside funds.