

Exhibit A
Southwestern Medical TIF District
FY 2024-2025
Annual Report



Southwestern Urban Streetscape and Park Transformation Project – Rendering Courtesy of Texas Trees



City of Dallas

Office of Economic Development 1500 Marilla Street, 6DN
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October 1, 2024 to September 30, 2025

Reinvestment Zone Number Ten Southwestern Medical Tax Increment Financing District

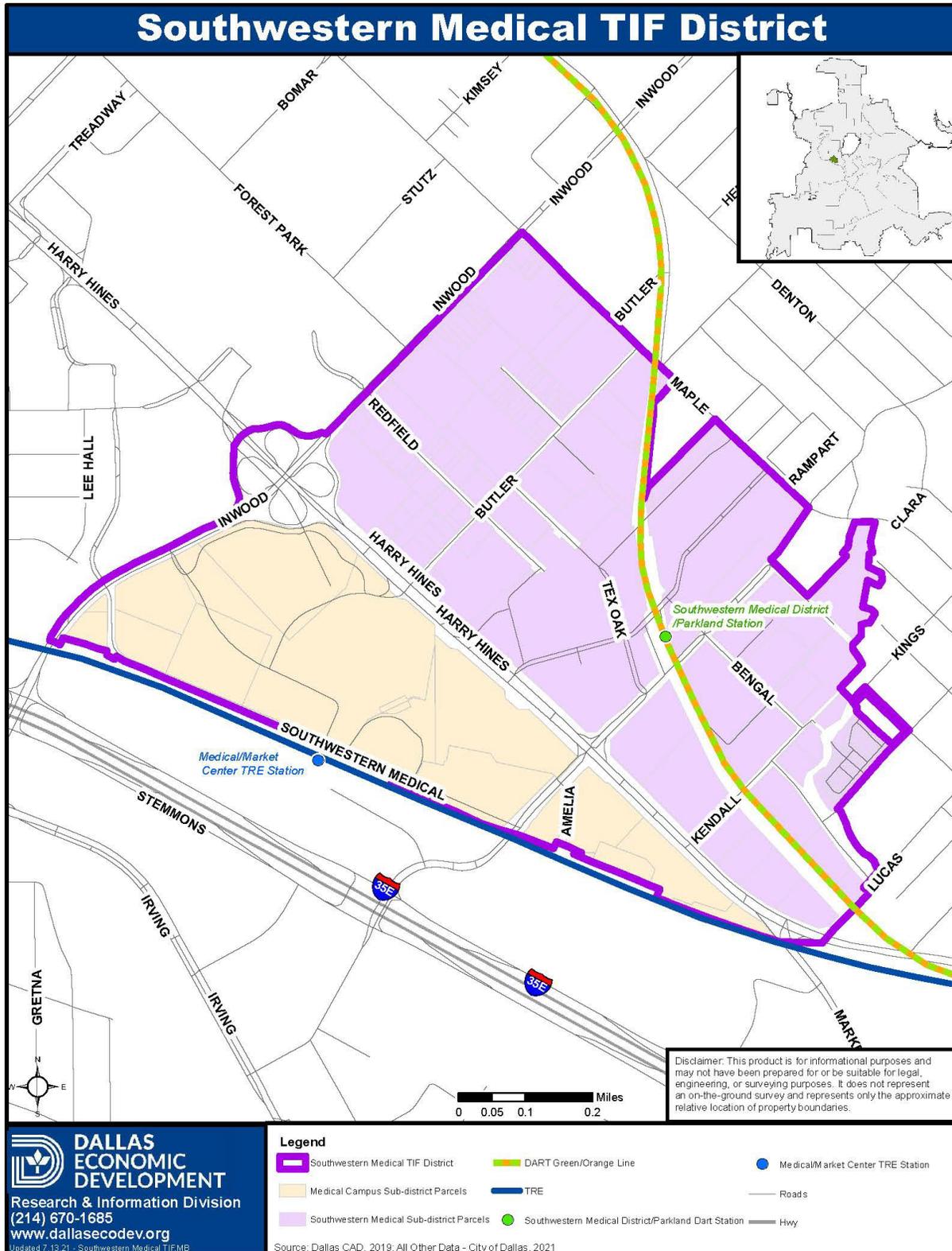


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Mission Statement

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 (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 began in 2025 with collections received in 2026.

TIF District Accomplishments

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

Archer Medical District Apartments (formerly Vibe Medical District Apartments), a residential, transit-oriented development was completed in 2009 adding 396 luxury apartments to the TIF District. Adjacent to the Archer 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.

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

Bel Air on Maple (formerly The Link on Maple), a 120-unit apartment development at 5219 Maple Avenue adjacent to Parkland East Parking Lot was completed in the summer of 2012.

In 2010, a formal groundbreaking was held to begin construction of the new Parkland Hospital that replaced the over-crowded 50+ year old facility located across Harry Hines Boulevard. The 1.7 million square foot facility, which included a new 380,000 square foot outpatient center, 275,000 square feet of office space and parking for 6,000 cars, opened in 2015. The total cost of the new facility was \$1.27 billion.

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 the University of Texas Southwestern (UTSW) 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.

In 2020, to meet the demand for specialty patient care in North Texas and the surrounding states, UTSW completed a \$520 million expansion of its flagship William P. Clements Jr. University Hospital. The third tower in the expansion opened in November 2020. The 12-story tower became the clinical home for the Peter O'Donnell Jr. Brain Institute, consolidating acute inpatient care services previously provided at Zale Lipshy University Hospital, and adding 144 beds, operating rooms, interventional suites, a newly expanded Emergency Department, and two new parking facilities. The project enhances both the quality of care and the efficiency of delivery to reduce expenses while accommodating growth.

In 2021, UTSW's East Campus underwent a \$71 million expansion of their Radiation Oncology center. The new facility allows cancer physicians to pioneer a new PULSAR radiation-therapy strategy for improved tumor control. Also in 2021, the doors of Parkland Hospital's new Moody Outpatient Center opened to patients. The six-story, 484,032 square-foot building provides both inpatient and outpatient services for patient care.

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 six-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 Street and the new clinic, was also completed.

In 2022, UTSW celebrated the groundbreaking for the new Texas Behavioral Health Center at UT Southwestern. The Texas Health and Human Services Commission (HHSC) partnered with UTSW in the design and construction of the facility. The Texas Legislature approved \$282.5 million in funding for design and construction of the new facility overseen by UTSW, while Children’s Health donated \$200 million for a pediatric wing. The adult portion of the facility will provide 200 beds, while the pediatric addition will provide 96 beds. The Center is expected to start accepting patients in summer 2026.

Construction of a \$120 million, five-story, 150,000 square foot building, located on the East Campus of UTSW, completed construction during fiscal year 2022-2023. The Texas Instruments Biomedical Engineering and Sciences Building provides support to university faculty and their teams with wet and dry laboratory space and provides areas specifically designated to promote multidisciplinary interactions and a Biodesign Center that features a large assembly/design studio, a metal fabrication shop, and rooms for 3D printing.

In October 2024, construction began on a new pediatric medical campus being developed jointly by Children’s Health and UTSW. This \$5 billion, patient-centric campus, located on over 33 acres at the corner of Harry Hines Boulevard and Mockingbird Lane, will replace the existing Children’s Medical Center Dallas and significantly expand pediatric services, research, education, and training in North Texas. Anchored by a state-of-the-art hospital comprised of two 12-story towers and an eight-story tower, the project will encompass approximately 4.5 million to 4.9 million square feet of new construction and include 552 inpatient beds, an expanded Emergency Department, Level I pediatric trauma center, and enhanced ambulatory and outpatient facilities. The campus is expected to open in the early 2030s and will strengthen the Medical District’s role as a national leader in pediatric care and research.



In FY 2024-2025, the Texas Trees Foundation began design for a project to transform approximately two miles of Harry Hines Boulevard into a pedestrian-friendly, green urban corridor, fundamentally reshaping the district’s outdoor environment. This project will convert the predominantly vehicle-oriented streetscape into a healthier, more inviting thoroughfare — known as the “Green Spine” — with expanded pedestrian pathways, bicycle connections, shade-providing tree canopy increases, and other green infrastructure features designed to mitigate the urban heat island effect and improve environmental quality. Central to the effort is the creation of an 8- to 10-acre park near the Harry Hines/Inwood Road intersection, new gathering spaces, plazas, and landscape enhancements that support human health, social interaction, and ecological resilience. Construction is expected to commence in 2026 and be completed by 2031.

Southwestern Medical TIF District Projects¹						
Projects Within TIF District Utilizing TIF District Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF²	Approx. Value³	TIF District Investment⁴
Cedar Branch Bridge ⁶	Adj to Cedar Branch TH	TBD	Under design	Bridge	\$826,500	\$826,500
Subtotal				N/A	\$826,500	\$826,500
Projects Within TIF District Not Utilizing TIF District Funding⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF²	Approx. Value	TIF District Investment⁴
MAA Medical District (formerly Colonial Reserve)	2222 Medical District Dr	2007	Complete	278 multi-family residential units 45,000 sf comm	\$62,875,000	\$0
Archer Medical District Apts (formerly Vibe Medical District Apts.)	2140 Medical District Dr	2009	Complete	396 multi-family residential units	\$75,600,000	\$0
Parkland Ambulatory Cntr ⁶	4900 Harry Hines Blvd	2006	Complete	62,267 sf medical space	\$26,404,000	\$0
Ronald McDonald House ⁶	4707 Bengal St	2009	Complete	64,000 sf lodging	\$21,095,390	\$0
Bel Air on Maple (formerly The Link on Maple)	5219 Maple Ave	2012	Complete	120 multi-family residential units	\$22,000,000	\$0
Parkland Hospital ⁶	5134 Harry Hines Blvd	2014	Complete	2,000,000 sf medical space	\$1,004,482,260	\$0
Maple District Lofts (formerly Maple Ave. Lofts)	5415 Maple Ave	2015	Complete	342 multi-family residential units	\$70,000,000	\$0
W.P. Clements Jr. Hospital Expansion ⁶	6201 Harry Hines Blvd	2021	Complete	650,000 sf medical space	\$520,000,000	\$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	4801 Harry Hines	2026	Under Construction	505,000 sf medical space	\$482,500,000	\$0
Cedar Branch Townhomes	2220 Alterbrook Ln	2027	Under Construction	115 single family residential units	\$43,696,372	\$0
Children's Health/UTSW Pediatric Campus ⁶	6303 Forest Park	2031	Under Construction	2,000,000 sf medical space	\$5,000,000,00	\$0
Sub-Total (Non-TIF Projects)				1,136 multi-family residential units 115 single family residential units 64,000 sf lodging 5,367,267 sf medical space 45,000 sf comm	Taxable Value \$274,171,371 Non-Taxable Value \$7,174,481,650	\$0
Total				1,136 multi-family residential units 115 single family residential units 64,000 sf lodging 5,367,267 sf medical space 45,000 sf comm	Taxable Value \$274,171,371 Non-Taxable Value \$7,174,481,650	\$826,500

¹All information updated as of September 30, 2025.

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

³Based upon DCAD market value for completed projects (unless project has not been assessed) and estimated value for projects under construction/planned.

⁴Maximum TIF Subsidy amount per project's development agreement.

⁵Includes select significant projects within the TIF District.

⁶Tax-Exempt

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 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 2025 certified taxable value is \$416,271,246. This represents an increase of \$348,860,192 (517%) from the adjusted base year taxable value.

The sub-district's value decreased by \$10,775,928 (-2.5%) from the 2024 final value (\$427,047,174). The increase in value over the base year taxable value will result in the collection in 2026 of approximately \$1,322,564 (City - \$1,097,026; County - \$225,538) 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 began in 2025. The sub-district's 2025 certified taxable value is \$0.

Objectives, Programs, and Success Indicators

The Southwestern Medical TIF District Project Plan and Reinvestment Zone Financing Plan (Plan) was approved in January 2006 and was amended in December 2008. In 2020, the 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 \$274,171,371 (98% 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 5,412,267 square feet of retail, medical office and commercial space (1,804% of goal) and 1,251 residential units (41.7% 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 TIF District Board of Directors (TIF Board) continue to foster a working relationship with Parkland, DART, and potential developers to encourage transit-oriented development that complements the area. The MAA Medical District and Archer 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. The Vision and Policy Plan updates and refines the forwardDallas! Vision for the area, providing more context-specific policy direction to serve as an ongoing guide for future land development. It is intended to remain relevant through the long term with a 30-year planning horizon. This component is incorporated into the forwardDallas! Comprehensive Plan through an amending ordinance.

- 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 \$16,201,688 in increment (52% of goal).

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

In June 2009, the TIF Board 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.

There has been no new taxable private investment in 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.

There has been no new private development in the Sub-district.

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

There has been no new taxable private investment in the Sub-district.

Year-End Summary of Meetings

The Southwestern Medical TIF District Board of Directors did not meet during the 2024- 2025 fiscal year. The Board of Directors consists of six members, including five (5) City of Dallas appointees and one (1) Dallas County appointee.

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

- Michael Quezada, City Appointee
- Matthew Fulgham, City Appointee
- Vacant, City Appointee
- Vacant, City Appointee
- Vacant, City Appointee
- Luis Tamayo, Dallas County Appointee

During the fiscal year, City Council approved one (1) item associated with the Southwestern Medical TIF District:

- On February 26, 2025 City Council approved Resolution No. 25-0363 accepting the FY 2023-2024 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.

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	\$7,556,947	\$826,500	\$6,730,447
Environmental Remediation and Demolition	\$2,134,479	\$0	\$2,134,479
Utility Burial	\$3,937,473	\$0	\$3,937,473
Economic Development Grant	\$6,094,263	\$0	\$6,094,263
Administration and Implementation**	\$810,666	\$597,929	\$212,737
Total Project Costs***	\$20,533,829	\$1,424,429	\$19,109,400
<p><i>*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)</i></p> <p><i>**Administration and Implementation costs for FY 2024-2025 are included in the above allocation.</i></p> <p><i>***Budget shown above in estimated current dollars and based on updated assumptions. The maximum budget capacity provided in the TIF Project Plan is unlikely to be reached within the term. TIF Project Plan shows the budget in net present value.</i></p>			

Medical Campus Sub-district			
Projected Increment to Retire TIF Fund Obligations			
Category	TIF Budget*	Allocated	Balance
Infrastructure/Utility Improvements	\$23,148,423	\$0	\$23,148,423
Environmental Remediation and Demolition	\$11,175,101	\$0	\$11,175,101
Mixed-Income Housing	\$20,753,759	\$0	\$20,753,759
Economic Development TIF Grants	\$19,157,315	\$0	\$19,157,315
Parks and Open Space	\$3,192,886	\$0	\$3,192,886
Administration and Implementation	\$2,394,664	\$294,503	\$2,100,161
Total Project Costs**	\$79,822,148	\$294,503	\$79,527,645
<p><i>*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).</i></p> <p><i>**The maximum budget capacity provided in the TIF Project Plan is unlikely to be reached within the term.</i></p>			

Southwestern Medical TIF District Budget	
Southwestern Medical Sub-district Project Plan Budget	
Category	Estimated TIF Expenditure 2006 NPV Dollars
Infrastructure/Utility Improvements	\$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	
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

Prior to June 2025, all TIF District-funded projects were required to follow the City’s adopted Business Inclusion and Development (BID) Policy and make good faith efforts to include certified Minority and Women-Owned Business (M/WBE) participation in TIF District-supported projects. The initial BID Plan goal for the 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%). On June 25, 2025, the City of Dallas ceased enforcing its BID Policy, including M/WBE subcontracting goals, by City Council Resolution No. 25-1081. The chart below captures projects that completed construction or were approved by City Council and started construction prior to June 2025.

M/WBE Participation			
Project	Contractor	Total Contract Award Amount	Percentage Minority Participation
MAA Medical District <i>(formerly Colonial Reserve at Southwestern Medical)</i> ¹	Davis Excavation	\$1,376,916.70	27.71% (\$381,544)
¹ Voluntarily participated in the M/WBE program			

FY 2025-2026 Work Program

The work program for FY 2025-2026 for the Southwestern Medical TIF District includes:

- 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.
- Explore potential expansion of the TIF District to include the Pegasus Park development.
- Explore the reconfiguration or termination of the Medical Campus Sub-district.
- Finalize next steps for the Cedar Branch Bridge Project.

Appendix A – Financials

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District Fund
Balance Sheet as of September 30, 2025 (Unaudited)
With Comparative Totals for September 30, 2024, 2023, 2022 and 2021 (Audited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:					
Pooled cash and cash equivalents	\$17,619,944	\$15,488,988	\$13,280,086	\$11,827,924	\$10,924,753
Interest receivable	\$252,770	\$197,765	\$70,563	\$19,465	\$2,252
Total assets	<u>\$17,872,714</u>	<u>\$15,686,753</u>	<u>\$13,350,649</u>	<u>\$11,847,389</u>	<u>\$10,927,006</u>
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	\$283,505	\$187,282	\$212,726	\$238,857	\$189,964
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	<u>\$283,505</u>	<u>\$187,282</u>	<u>\$212,726</u>	<u>\$238,857</u>	<u>\$189,964</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	<u>\$17,518,964</u>	<u>\$15,471,141</u>	<u>\$13,137,924</u>	<u>\$11,608,532</u>	<u>\$10,737,041</u>
Total Liabilities and Fund Equity	<u>\$17,802,470</u>	<u>\$15,658,423</u>	<u>\$13,350,649</u>	<u>\$11,847,389</u>	<u>\$10,927,006</u>

Southwestern Medical Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2025 (Unaudited)
With Comparative Totals for September 30, 2024, 2023, 2022 and 2021 (Audited)

	<u>ITD</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Tax increment-Governmental	\$13,174,339	\$1,081,004	\$1,117,771	\$1,069,499	\$919,312	\$857,417
Tax increment-Intergovernmental	\$3,027,349	\$379,577	\$381,933	\$207,640	\$178,759	\$175,371
Interest income	\$2,112,479	\$619,608	\$584,810	\$364,360	\$58,146	\$29,924
Developer Participation & other revenue	\$1,481,970	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	\$97,021	\$63,858	\$304,029	(\$57,469)	(\$235,834)	(\$15,759)
Total revenues	<u>\$19,893,158</u>	<u>\$2,144,046</u>	<u>\$2,388,543</u>	<u>\$1,584,030</u>	<u>\$920,383</u>	<u>\$1,046,953</u>
Expenditures:						
Administrative expenses	\$892,432	\$96,223	55,326	\$54,639	\$48,892	\$62,648
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	<u>\$2,374,194</u>	<u>\$96,223</u>	<u>\$55,326</u>	<u>\$54,639</u>	<u>\$48,892</u>	<u>\$62,648</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$17,518,964</u>	<u>\$2,047,823</u>	<u>\$2,333,217</u>	<u>\$1,529,392</u>	<u>\$871,491</u>	<u>\$984,305</u>
Fund balance (Deficit) at beginning of year						
as previously reported	\$0	\$15,471,141	\$13,137,924	\$11,608,532	\$10,737,041	\$9,752,736
Fund balance (Deficit) at beginning of year,						
as restated	<u>\$0</u>	<u>\$15,471,141</u>	<u>\$13,137,924</u>	<u>\$11,608,532</u>	<u>\$10,737,041</u>	<u>\$9,752,736</u>
Fund balance (deficit) at end of year						
	<u>\$17,518,964</u>	<u>\$17,518,964</u>	<u>\$15,471,141</u>	<u>\$13,137,924</u>	<u>\$11,608,532</u>	<u>\$10,737,041</u>

Note: Fiscal year 2024-25 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 financial statements.

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District Fund
Reinvestment Zone Number Ten
As of September 30, 2025

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:

\$683,465	Interest Income & change in fair value of investments
<u>\$1,460,581</u>	Ad Valorem Taxes (Collected in FY 2024-25 based on 2024 Final Tax Roll)
<u>\$2,144,046</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$96,223	Administrative Expense - TIF admin cost for FY 2024-2025
\$0	Non-Capital Outlay
\$0	Capital outlay
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
<u>\$96,223</u>	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, 2025.

- 5.** In 2018, 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 and reimbursement to the developer will be made upon project completion in accordance with the terms and conditions of the development agreement and availability of Zone funds.

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

Taxing Jurisdiction	Taxable Value 2025 ¹	Base Year 2005 Value	Base Year 2020 Value	Est. Captured Value 2025 ²
City of Dallas - Southwestern Medical Sub-district-Zone A & B	\$416,271,246	\$67,411,054	-	\$348,860,192
City of Dallas - Medical Campus Sub-district	\$0	-	\$0	\$0
Dallas County - Southwestern Medical Sub-district-Zone A & B	\$416,271,246	\$67,411,354	-	\$348,859,892
Dallas County - Medical Campus Sub-district	\$0	-	\$0	\$0

¹2024 taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.

²Based on DCAD Certified Taxable Value. The final values will be determined on February 1, 2026.

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 2025 Increment
City of Dallas - Southwestern Medical Sub-district-Zone A & B	0.31446	\$1,097,026
City of Dallas - Medical Campus Sub-district	0.00000	\$0
Dallas County - Southwestern Medical Sub-district-Zone A & B	0.06465	\$225,538
Dallas County - Medical Campus Sub-district	0.00000	\$0
Total for all Jurisdictions		<u>\$1,322,564</u>

Note: According to City Ordinance No. 31706, the City reduced its participation rate from 80% to 45%, and the County reduced its participation rate from 55% to 30% for Southwestern Medical Sub-district effective from fiscal year 2020 to termination date of December 31, 2027. Also, the City Ordinance established Medical Campus Sub-district with the City participation rate of 80% effective from fiscal year 2020 through the termination date of December 31, 2045.

- b. The total amount of estimated tax increment to be billed and collected in 2026 for the 2025 tax year is \$1,322,564.

- c. For the 2024 tax year, increment in the amount of \$1,460,581 was collected.

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2025

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 \$3,205,330 (in current \$) over the life of the Zone. The City began billing the Zone for administrative costs in FY 2006-07. 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 City of Dallas will participate at a rate of 80%.
6. "Due to general fund" amount of \$283,505 on September 30, 2025 represents the Zone administration costs for the fiscal year 2020-2021 (\$28,425), fiscal year 2021-2022 (\$48,892), fiscal year 2022-2023 (\$54,639), fiscal year 2023-2024 (\$55,326), and fiscal year 2024-2025 (\$96,223) that have been earned but will be reimbursed to the General Fund in future years based on the availability of Zone 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 \$1,728,187 has been accrued 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 Set-Aside and will be given a payment priority until the \$826,500 subsidy is paid.