Exhibit A

Deep Ellum TIF District
FY 2022-2023 Annual Report

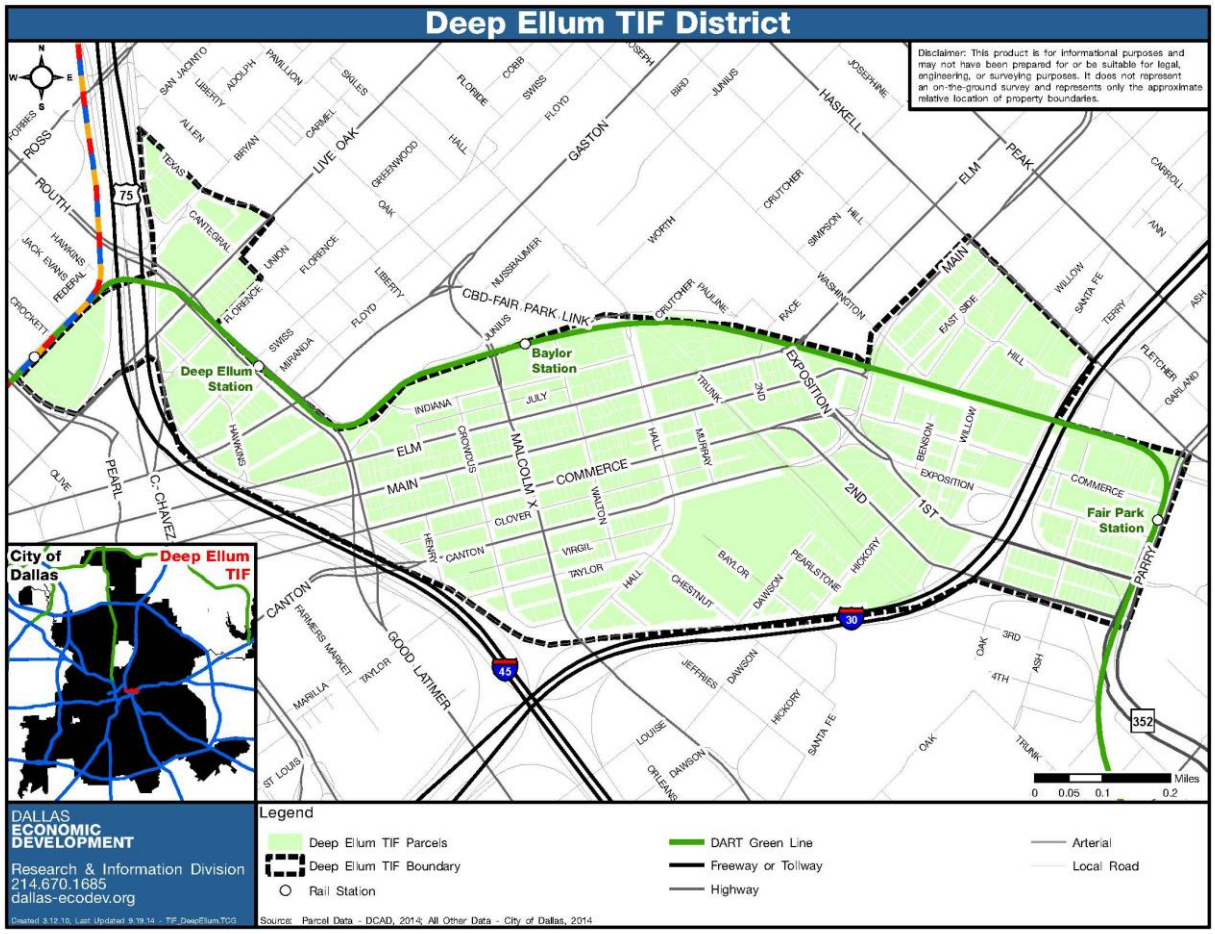
The Stack Deep Ellum

City of Dallas

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

October 1, 2022 to September 30, 2023

Reinvestment Zone Number Twelve
Deep Ellum Tax Increment Financing District



Source: Parcels - DCAD, 2009; Rail - DART, 2009; All Other Data - City of Dallas, 2017

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Mission Statement

The mission of the Deep Ellum Tax Increment Financing District is to provide a source of funding for public investments anticipated to enhance the real estate market for the Deep Ellum TIF District area. The Deep Ellum Tax Increment Financing (TIF) District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping districts to take full advantage of the expanding DART light rail system, promote transit oriented development, improve the historic core area of Deep Ellum, implement appropriate urban design standards to differentiate and brand the area, and improve the quality of development east of Downtown.

The Deep Ellum TIF District (the "TIF District") was established in June 2005 to assist in the transformation of the Deep Ellum area into a more diversified, pedestrian friendly, mixed-use neighborhood in the area and improve the urban fabric and connections between Central Expressway and Fair Park. Strengths of the TIF District include a mix of unique and historic buildings that create an identifiable district, adjacency to three DART light rail stations and proximity to Downtown Dallas, the Arts District, Dallas Farmers Market, Baylor Medical Center, and Fair Park.

The City Council established the TIF District by Ordinance 26043 on June 22, 2005. The TIF District took effect on January 1, 2006 and is scheduled to terminate on December 31, 2027 (including collection of the 2027 increment in calendar year 2028 and any related matters to be concluded in 2028) or when the budget of $30 million (2006 dollars) has been collected. The TIF District boundary and Project Plan and Reinvestment Zone Financing Plan ("Plan") were amended in 2008, 2011, and 2014 (current amended Plan). The City of Dallas and Dallas County are the two participating jurisdictions. The City's participation rate is 85% of incremental property taxes collected, and the County's participation rate is 55%.

TIF District Accomplishments

To date, 22 significant projects have been completed within the TIF District, resulting in $1.06 billion in new taxable property value.

During FY 2011, DART completed construction of the SE-1 Corridor light rail line, which included the Deep Ellum, Baylor, and Fair Park stations within the TIF District.

Redevelopment and reinvestment of consolidated property in the commercial core of Deep Ellum continue to expand dining and retail choices in the area. Projects by Asana Partners and Westdale Real Estate Investment and Management have provided additional commercial and retail opportunities in the TIF District.

The Old Dallas High School, added to the TIF District in 2014, was approved for TIF District funding in 2016 and was completed in 2018. The Case Building at Main Street and Trunk Avenue and the Epic Project have brought additional residential units, office and retail space to the TIF District. The Epic, located at Elm and Good Latimer, includes

721,600 square feet of office space and 49,382 square feet of retail space. The Epic also includes The Hamilton, a 310 residential unit tower and The Pittman, a 164-key hotel in the historic Knights of Pythius Temple building.

The Continental Gin Redevelopment Project, approved for TIF District funding during fiscal year 2018-2019 and completed during fiscal year 2020-2021, improved 45,000 square feet of office space and 5,000 square feet of retail space in the historic building. The Continental Gin Project was awarded Dallas Business Journal's 2020 Best Real Estate Deals in the Rehab/Reuse category. In September 2022, the International Economic Development Council (IEDC) held its annual Excellence Awards in which the Office of Economic Development (OED) received a Gold Award in the Real Estate Redevelopment & Reuse category for its role in helping to facilitate the Continental Gin Redevelopment Project.

The Stack Deep Ellum, a 16-story retail and office building, was approved for TIF funding in fiscal year 2019-2020. Construction completed in fiscal year 2021-2022 and a long-term lease was announced with TRG for 101,808 square feet within the building.

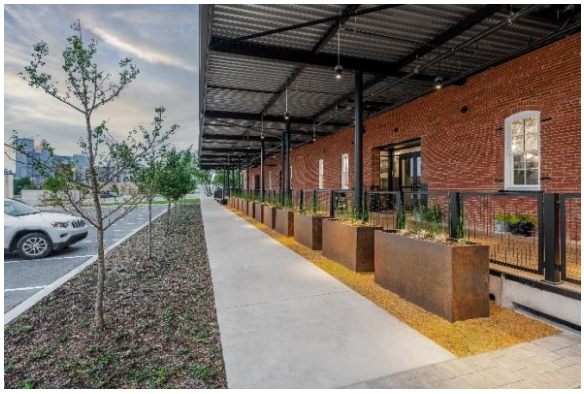
The American Cancer Society Gene and Jerry Jones Family Hope Lodge, in partnership with Baylor Scott & White Health, located on Elm Street between Hall and Trunk Avenue, constructed a free lodging facility for cancer patients receiving treatment in the DFW area and their caregivers in 50 guest suites (excluded from page 7 chart). The facility opened in 2021.

At the IEDC 2022 Excellence Awards, the OED received a Silver Award in the Neighborhood Development category for its role in managing the TIF District since its creation in 2005.

On June 30, 2023, the Deep Ellum Historic District was listed in the National Register of Historic Places, recognizing Deep Ellum as a place of historical and architectural significance.

The chart that begins on page 7 is a comprehensive list of all TIF District funded and significant non-TIF District funded projects within the TIF District.

The Stack Deep Ellum

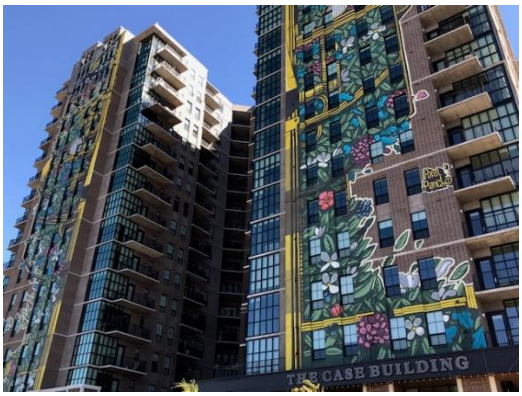


The Continental Gin Building

Reel FX

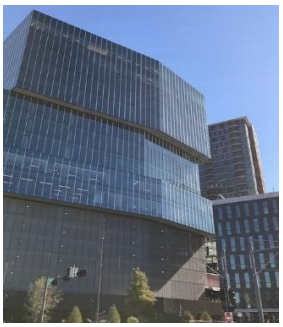
Novel Deep Ellum (Crescent)

Old Dallas High School



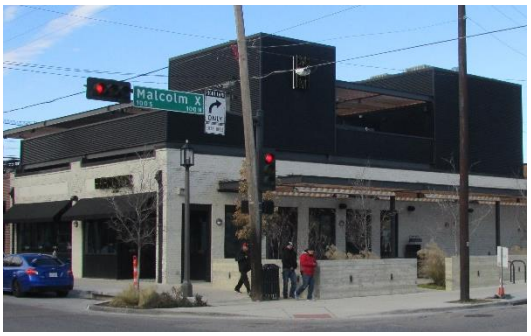
Case Building

City Lights Phase II Site



The Epic

Latino Cultural Center



Westdale 2800 DE

Current Development Status in the TIF District

Deep Ellum TIF District Projects[1]						
Projects and Potential Projects Within TIF District Utilizing TIF District Funding[2]						
Project	**Location**	**Calendar Year Complete**	**Status**	**Units/ SF**	**Approx. Value[3]**	**TIF Investment**
Olympia Arts	4000 East Side Ave / 3995 Benson St	2010	Complete	25,116 SF office, 4,040 SF commercial	$2,151,710	$595,000
Reel FX/ Crowdus & Indiana Streetscape Improvements[4]	301 N Crowdus	2014	Complete	67,166 SF office, streetscape improvements	$5,008,420	$552,000
Westdale 2800 DE	Main and Elm Streets	2016	Complete	30,595 SF retail, open space	$5,800,000	$1,600,000
Old Dallas High School	2214 & 2218 Bryan	2017	Complete	114,272 SF office space	$27,495,000	$6,240,934
Continental Gin	3309 Elm Street	2021	Complete	45,000 SF office space, 5,000 SF retail	$8,500,000	$3,000,000
The Stack Deep Ellum	2700 Commerce Street	2021	Complete	200,000 SF office, 14,600 SF retail	$76,000,000	$2,576,125
SUBTOTAL		Complete: 451,554 SF Office and 54,235 SF Commercial/Retail			$124,955,130	$14,564,059
Projects Within TIF District Not Utilizing TIF District Funding[1]						
Broadstone Ambrose	2901 Indiana St.	2007	Complete	338 residential units	$64,000,000	$0
Commerce Street Lofts	3701, 3703, 3705,3707, 3509, 3711, 3713, & 3715 Commerce St.	2007	Complete	8 live/ work units (approx. 18,000 SF)	$3,592,242	$0
Eastside Lofts	500, 502, 504, 506 1st St.	2006	Complete	4 residential units (approx. 9,300 SF)	$1,883,472	$0
City Lights Phase I (aka Oak & Ellum)	2627 Live Oak St	2015	Complete	424 residential. units	$60,000,000	$0
The Case Building	3131 Main	2018	Complete	337 residential units, 10,738 SF retail	$85,384,720	$0
Deep Ellum Crossroads	Main and Commerce Streets	2017	Complete	46,008 SF retail	$4,620,000	$0
The Crosby	400 S. Hall	2018	Complete	336 residential units	$69,000,000	$0

Epic (Phase I)	2550 Pacific	2019	Complete	251,600 SF office, 49,382 SF retail	$99,074,270	$0
The Hamilton and The Pittman - Epic (Phase I)	2525 Elm and 2500 Pacific	2020	Complete	310 residential units, 164 hotel rooms, 5,004 SF retail	$130,500,000	$0
Novel Deep Ellum (Crescent)	2900-2930 Canton	2020	Complete	231 residential units, 10,500 SF retail	$61,000,000	$0
The Gabriella (City Lights Phase II)	2727 Live Oak	2020	Complete	368 residential units, 56,625 SF grocery	$137,560,330	$0
The Galbraith	2400 Bryan	2021	Complete	217 residential units, 10,000 SF retail	$0 (Dallas Housing Finance Corp owned)	$0 TIF (PPP, Bond, HOME and CDBG funds)
Epic (Phase II)	2500 Pacific	2022	Complete	470,000 SF office; 19,299 retail	$149,000,000	$0
Mark Cuban Cost Plus Drug Facility	302 S. Walton (3015 Taylor)	2023	Complete	22,000 SF manufacturing	$6,500,000	$0
Elm Street Lofts (Good E)	Main and Elm at Good Latimer	2023	Complete	20,272 SF retail plus 28,645 SF retail/office	$3,080,680	$0
The Willow	3900 Commerce	2023	Complete	190 residential units	$60,000,000 (projected value based on percent complete per DCAD)	$0
2800 Taylor	2800 Taylor	2024	Under Construction	192 residential units	$60,000,000	$0
Larkspur Fair Park[5]	3525 Ash Lane	2025	Planned	290 residential units	$0	$0
SUBTOTAL		Complete: 2,763 Residential Units, 772,245 SF Office, 227,828 SF Commercial/Retail, 164 hotel rooms Under Construction/Planned: 482 Residential Units			$935,195,714 invested; $60,000,000 underway	$0
TOTAL PROJECTS WITHIN TIF DISTRICT UTILIZING AND NOT UTILIZING TIF DISTRICT FUNDS		Complete: 2,763 Residential Units, 1,223,799 SF Office, 282,063 SF Commercial/Retail and 164 hotel rooms Under Construction/Planned: 482 Residential Units			$1,060,150,844 Invested; $60,000,000 underway	$14,564,059

[1] All information updated as of September 30, 2023; planned projects that have not started construction are not included unless City incentive has been approved

[2] All TIF District funded projects.

[3] Based upon estimated market value at completion or of comparable projects for anticipated projects, investment amount, or DCAD taxable value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF district for redevelopment projects once pre-existing value and/or the demolition of structures is netted out.

[4] Reel FX was funded as part of a Streetscape project on Elm Street from Crowdus Street to Indiana Street. Deep Ellum TIF District assisted with the costs, along with a Chapter 380 Economic Development Grant, Water Utilities Capital Improvement Funds, and 2006 Prop 8 Bonds.

[5] Larkspur Fair Park has received City Council approval for a Public Facility Corporation (PFC) incentive which will result in the property being tax exempt. The anticipated investment is $70.3 million.

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in projects using direct site-specific TIF District funding assistance are subject to the City's and County's established criteria for mixed-income housing. In this TIF District, there are no residential units supported with site-specific TIF District funding.

The Galbraith (2400 Bryan Street) mixed-income, mixed-use project was complete in 2021-2022 and includes 217 residential units, of which 111 are affordable. This project does not include TIF District funds but has a capital stack utilizing housing tax credits and other City controlled funds (HOME, CDBG, Public/Private Partnership Funds, City Bond Funds), requiring 51% of the units to be set aside as affordable (60% or below area median family income).

Larkspur Fair Park (3525 Ash Lane) mixed-income project was approved as a Public Facility Corporation (PFC) project by City Council on April 26, 2023. The property will be tax-exempt and will produce 290 residential units, of which 146 units (50%) will be reserved for households earning 80% or below area median family income.

Value and Increment Revenue Summary

The TIF District's assessed 2023 taxable value was $1,420,880,416. This represents an increase of $124,520,047 (9.6%) from the 2022 value and an increase of $1,231,717,803 (651%) from the base year value. The resulting total increment revenue anticipated to be collected in 2024 (from 2023 values) is approximately $7,702,486 (Dallas County NPV cap was reached during 2022 increment collections).

Objectives, Programs, and Success Indicators

The Deep Ellum Project Plan and Reinvestment Zone Financing Plan ("Plan") was adopted on April 12, 2006 and was amended in 2008, 2011 and 2014. Among the goals of the Plan are:

- To create additional taxable value attributed to new private investment in projects in the Deep Ellum TIF District totaling approximately $795 million.

  Completed projects within the TIF District (those captured on pages 7-8) have contributed approximately $1.06 billion in additional taxable value (133% of goal). The current taxable value of the TIF District is $1.42 billion (179% of goal).

- To attract new private development in the Deep Ellum TIF District totaling approximately 650,000 square feet of retail space, 850,000 square feet of office space, 500 hotel rooms, and at least 3,500 new residential units including lofts, town homes and apartments.

  Completed projects within the TIF District contributed approximately 282,063 square feet of retail (43.4% of goal), 1,223,799 square feet of office (144% of goal), 164 hotel rooms (33% of goal), and 2,763 additional residential units (78.9% of goal). Several large-scale projects are under construction and planned, which will assist the TIF District in meeting these goals over the next several years.

- To support the conversion of the Deep Ellum area to a mixed-use, transit-oriented neighborhood that complements Baylor Medical Center, Downtown Dallas, Latino Cultural Center and Fair Park.

  A Complete Street project for Commerce Street from Good Latimer to Exposition was approved in the 2017 Bond Program and the construction contract was awarded on September 27, 2023 by Resolution No. 23-1324. The scope of the Commerce Street improvements is from Good Latimer Expressway to Exposition Avenue and will convert the existing five lanes of one-way traffic into a two-lane two-way street with on-street parking and will include the conversion of Elm Street from Good Latimer Expressway to Exposition Avenue from one-way to a two-way traffic pattern to complement Commerce Street.

  The CBD Fair Park Link is a new roadway that will serve as an arterial connector road from the Central Business District area to eventually link to Fair Park. The work is being implemented in two phases and the construction contract for Phase I, from Hall Street to Main Street, was approved in FY 2020-2021, and construction is anticipated to be complete in December 2024.

  Public input meetings have begun focused on the Main Street to IH-30 segment of the CBD Fair Park Link (Phase II) through a study of multimodal transportation links connecting Downtown Dallas through Deep Ellum to Fair Park. This study will take into account how these areas are linked

considering new designs for IH-30 and IH-345. The study is being led by North Central Texas Council of Governments in coordination with the Texas Department of Transportation and the City of Dallas.

- To generate approximately $30 million (net present value) in increment over 20 years of collections.

  The District has generated $23.15 million NPV (77.2% of the goal), with four years remaining until the expiration of the District. Based upon current estimates and certified 2023 values, the District could meet the $30 million NPV goal by FY 2025, before the District is scheduled to expire in 2027 (2028 increment collections).

- To diversify retail and commercial uses in the TIF District.

  In 2015, City Council approved the redevelopment of multiple buildings and parking lots along Main and Elm for the Westdale 2800 DE project which added 30,595 square feet of retail and restaurant space along with the creation of 13,740 square feet of open space. The Westdale 2800 DE Project was completed in the fiscal year 2017 and paid in full in fiscal year 2018.

  The adaptive reuse of the historic Continental Gin building was completed during fiscal year 2020-2021 and includes co-working office space, a coffee shop and will be anchored by planned commercial space. Additionally, The Stack Deep Ellum added 14,600 square feet of ground floor commercial space within the TIF District. Several non-TIF District funded projects have added to the diversification of retail and commercial uses in the District, including the recently completed Good E Project in the 2500 block of Elm Street.

- Encourage the redevelopment of the property located on Live Oak Street north of the Latino Cultural Center including the sale of some City-owned property in the area and some street abandonment to create a more usable site.

  In 2008, the boundaries of the TIF District were amended to include the City of Dallas Latino Cultural Center and the site of the City Lights Project. These two sites comprise 10.2 acres. This boundary amendment was initiated to promote new development and increased urban density near the Latino Cultural Center and nearby the Deep Ellum DART Light Rail station. On August 10, 2016, City Council authorized amendments to deed restrictions placed on the property, including the requirement of a $100,000 donation to the Latino Cultural Center to be made pursuant to the City Lights projects, prior to the issuance of a Certificate of Occupancy. During fiscal year 2019-2020, the Latino Cultural Center accepted and received a donation of $100,000 to satisfy the related deed restriction requirement.

Year-End Summary of Meetings

The TIF District Board of Directors met one time during the fiscal year on December 6, 2022.

The Board can consist of up to seven members, including six City of Dallas appointees and one Dallas County appointee. Board members are (FY 2022-23 Board meetings attended):

- Jon Hetzel (Chair, re-appointed after December 6, 2022) – City Representative (attended 1 of 1 meeting)
- Jeff Brightwell – (December 6, 2022 Presiding Officer) - City Representative (attended 1 of 1 meeting)
- Cash Harbaugh – City Representative (attended 1 of 1 meeting)
- Bryan Tony – City Representative (attended 1 of 1 meeting)
- Luis Tamayo – Dallas County Representative (attended 0 of 1 meeting)

One City Council item was considered directly related to the TIF District:

On February 22, 2023, City Council approved Resolution Number 23-0306, accepting the FY 2021-2022 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Twelve (Deep Ellum 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.

Two additional items were considered by City Council that have significant impact in the TIF District:

On April 26, 2023, City Council approved Resolution Number 23-0549, authorizing the Dallas Public Facility Corporation to acquire, develop, and own Larkspur Fair Park, a mixed-income, multifamily development to be located at 3525 Ash Lane (Project) and enter into a seventy-five-year lease agreement with Fair Park Holdings, LP, or its affiliates for the development of the Project.

On September 27, 2023, City Council approved Resolution Number 23-1324, authorizing a construction services contract for the construction of Commerce Street from Good Latimer Expressway to Exposition Avenue - Rebcon LLC, lowest responsible bidder of four - Not to exceed $29,968,199 - Financing: 2023 Certificate of Obligation ($25,328,549), Water Capital Improvement Fund ($3,069,000), Water Construction Fund ($1,536,550), and Wastewater Construction Fund ($34,100).

Pending TIF District Items

Consideration of the FY 2022-2023 TIF District Annual Report and a recommendation to the City Council for approval.

Budget and Spending Status

Each TIF district establishes a budget for the public investment necessary to support private investment in the district in the Project Plan and Reinvestment Zone Financing Plan. The TIF District was established in June 2005 and was amended in FY 2008 and 2014. The current budget for the TIF District is below.

Deep Ellum TIF District Project Plan Budget
Projected Increment Revenues to Retire TIF Fund Obligations

Category	TIF Budget[1]	Allocated[2]	Balance
Water, Wastewater, Storm & Off-site Utility Replacement	$2,315,966	$1,813,183	**$502,783**
Paving Streetscape & Lighting	$26,928,502	$2,309,759	**$24,618,743**
Open Space & Trails	$2,618,049	$122,998	**$2,495,051**
Façade Restoration /Environmental/Remediation/Demolition[3]	$10,258,224	$10,167,824	**$90,400**
Latino Cultural Center Area Improvements	$9,280,585	$0	**$9,280,585**
Administration & Implementation[4]	$4,269,069	$786,107	**$3,482,962**
Total Project Costs (excluding interest)	**$55,670,396**	**$15,199,871**	**$40,470,525**

[1] *Budget shown above in current dollar; TIF Plan shows the budget in net present value.*

[2] *Project and Administrative costs are allocated as increment collection began in FY 2008*

[3] *Includes $775,000 Grant under Façade Restoration/Environmental/Remediation/Demolition*

[4] TIF District administration costs shown are expended or committed through FY 2022-2023

Deep Ellum TIF District
Project Plan Budget

Category	TIF Budget*
Water, Wastewater, Storm & Off-site Utility Replacement	$1,247,748
Paving Streetscape & Lighting	$14,507,977
Open Space & Trails	$1,410,498
Façade Restoration/Environmental Remediation & Demolition	$5,526,712
Latino Cultural Center Area Improvements	$5,000,000
Administration and Implementation	$2,300,000
Total Project Costs (excluding interest)	**$29,992,935**

** As approved in the Project Plan and Reinvestment Zone Financing Plan as amended September 10, 2014.*
Note: TIF Board may amend Project Plan budget with City Council approval.

Deep Ellum TIF M/WBE Participation				
Project	**Contractor**	**Total Contract Award Amount**	**Total MWBE Amount**	**Percentage Minority Participation**
Olympia Arts	Elstonaire	$1,200,000	$360,000	30%
Reel FX*	N/A	N/A	N/A	N/A
Westdale 2800 DE	CS1 Group, Inc	$1,988,975	$557,510	28.03%
Old Dallas High School	Balfour Beatty	$17,054,775	$4,104,694	23.54%
Continental Gin	Hill & Wilkinson	$17,397,431	$5,810,749	33.40%
The Stack Deep Ellum	Whiting-Turner	$59,352,634	$15,638,154	26.35%
** TIF District funds for streetscape work*				

FY 2023-2024 Work Program

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

- Examine potential District-Wide Improvements that could provide impactful close-out to the TIF District and consider TIF District Plan Amendment, if needed.
- Improve the pedestrian environment through sidewalk improvements, landscaping, lighting and design standards.
- Upgrade basic infrastructure including storm drainage, water/wastewater lines, and burial of overhead utilities to support redevelopment in the District.
- Coordinate linkages with the three DART light rail stations located in the District by extending streetscape improvements between stations to create an extended pedestrian area to destinations such as the Latino Cultural Center, the Baylor Hospital Campus, the Old Dallas High School site, and Fair Park.
- Encourage development of new mixed-income residential projects.
- Assist in coordination of Commerce Street improvements.
- Examine the redevelopment possibilities of the current City Central Service Center located at 3202 Canton Street.
- Where relevant, assist in implementation of the Deep Ellum Foundation's Strategic Plan.

Appendix A: Financials

City of Dallas, Texas
Deep Ellum 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	$18,829,557	$13,899,969	$7,562,654	$5,497,079	$4,540,543
Interest receivable	$99,446	$22,875	$1,567	$4,242	$4,917
Total assets	$18,929,003	$13,922,844	$7,564,221	$5,501,321	$4,545,461
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	$214,347	$0	$0	$0	$0
Advances from developers	$0	$0	$0	$0	$0
Accrued interest	$0	$0	$0	$0	$0
Accrued liability	$0	$0	$0	$0	$0
Due to general fund	$285,338	$216,917	$169,710	$161,731	$46,690
Total liabilities	$499,686	$216,917	$169,710	$161,731	$46,690
Fund Balance (Deficit):					
Fund Balance (Deficit)	$18,429,318	$13,705,927	$7,394,511	$5,339,591	$4,498,771
Total Liabilities and Fund Equity	$18,929,003	$13,922,844	$7,564,221	$5,501,321	$4,545,461

Deep Ellum 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	$29,013,769	$7,023,130	$5,599,227	$4,253,507	$3,656,528	$2,468,870
Tax increment-Intergovernmental	$4,302,491	$0	$973,146	$834,116	$743,633	$495,462
Interest income	$805,744	$471,850	$63,838	$21,893	$50,053	$88,826
Developer contribution	$53,491	$0	$0	$0	$0	$0
Net increase (decrease) in fair value of inves	($392,876)	($127,044)	($277,588)	($8,873)	$12,855	$24,476
Total revenues	$33,782,619	$7,367,936	$6,358,623	$5,100,643	$4,463,069	$3,077,633
Expenditures:						
Administrative expenses	$741,821	$68,421	$47,207	$45,722	$121,988	$48,188
Non-Capital Outlay	$10,107,920	$1,645,500	$0	$1,750,000	$3,500,260	$2,290,674
Capital outlay	$4,503,560	$930,625	$0	$1,250,000	$0	$450,000
Interest and fiscal charges	$0	$0	$0	$0	$0	$0
Total expenditures	$15,353,301	$2,644,546	$47,207	$3,045,722	$3,622,249	$2,788,862
Excess (Deficiency) of Revenues over Exper	$18,429,318	$4,723,391	$6,311,416	$2,054,920	$840,820	$288,771
Fund balance (Deficit) at beginning of year as previously reported	$0	$13,705,927	$7,394,511	$5,339,591	$4,498,771	$4,209,999
Fund balance (Deficit) at beginning of year, as restated	$0	$13,705,927	$7,394,511	$5,339,591	$4,498,771	$4,209,999
Fund balance (deficit) at end of year	$18,429,318	$18,429,318	$13,705,927	$7,394,511	$5,339,591	$4,498,771

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
Deep Ellum Tax Increment Financing District Fund
Reinvestment Zone Number Twelve
As of September 30, 2023

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:

$344,806	Interest Income
$7,023,130	Ad Valorem Taxes (Collected in FY 2022-23 based on 2022 Final Tax Roll)
$0	Developer contribution
$7,367,936	Total Expenditures

2. Amount and purpose of expenditures from the fund:

$68,421	Administrative Expense - TIF admin cost for FY 2022-23
$1,645,500	Non-Capital Outlay - Stack Project - Environmental Remediation
$930,625	Capital Outlay - Stack Project - Water/Wastewater, Utilities $425,000 and Streetscape $505,625
$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
$2,644,546	Total Expenditures

3. TIF Administration Costs:
The Zone continued to reimburse the General Fund for administrative costs incurred during the fiscal year.

4. a. Amount of Principal and Interest due-on outstanding bonded indebtedness:
Deep Ellum TIF District has incurred no bonded indebtedness as of September 30, 2023.

b. The Zone entered into a development agreement with Westdale Properties America I, Ltd. for the redevelopment of Westdale 2800 DE Project in an amount not to exceed $1,600,000. The Zone fully disbursed the TIF funds to the developer in fiscal year 2018.

Project	Principal	Accrued Add'l Subsidy **(1)**	Less Payments **(2)**	Total (P & I) Outstanding
Westdale 2800 DE Project	$1,600,000	$0	$1,600,000	$0
Total	$1,600,000	$0	$1,600,000	$0

(1) Additional Subsidy in Form of Grant (in lieu of interest expense).

(2) Westdale 2800 DE Project expenditures were accrued in the fiscal year 2017 and paid in the fiscal year 2018.

c. The Zone entered into a Development Agreement dated May 23, 2017 with MSW Crozier Tech, LP for the redevelopment of the Old Dallas High School Project in an amount not to exceed $6,240,934 of which up to $200,898 may be payable in the form of a Grant as defined in the Development Agreement. Disbursement of TIF funds was fully complete in fiscal year 2020.

Project	Principal	Accrued Add'l Subsidy **(1)**	Less Payments **(2)**	Total (P & I) Outstanding
Matthews Holdings Southwest, Inc.	$3,500,260	$0	$3,500,260	$0
Total	$3,500,260	$0	$3,500,260	$0

d. Development agreement with 42 Deep Ellum, LP for the development of Deep Ellum Crossroads Project was terminated as a result of the Developer unable to perform the Development Agreement's stated requirements.

e. The District entered into an agreement on January 22, 2020 with HW Commerce Office LP in an amount not to exceed $2,576,125 payable from current or future Deep Ellum TIF District Funds in consideration of The Stack Deep Ellum Project on property currently addressed at 2700, 2712, and 2718 Commerce Street, final reimbursement was made in fiscal year 2022-2023.

Project	Principal	Accrued Add'l Subsidy **(1)**	Less Payments **(2)**	Total (P & I) Outstanding
HW Commerce Office LP	$2,576,125	$0	$2,576,125	$0
Total	$2,576,125	$0	$2,576,125	$0

f. The District entered into an agreement on April 10, 2019 with 3309 Elm TIF, Inc., in an amount not to exceed $3,000,000 payable from current or future Deep Ellum TIF District Funds in consideration of the Continental Gin Redevelopment Project on property currently addressed at 3309 Elm Street. The zone fully disbursed the TIF District funds to the developer in fiscal year 2021.

Project	Principal	Accrued Add'l Subsidy **(1)**	Less Payments **(2)**	Total (P & I) Outstanding
3309 Elm TIF, Inc.,	$3,000,000	$0	$3,000,000	$0
Total	$3,000,000	$0	$3,000,000	$0

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

Taxing Jurisdiction	Taxable Value 2023 *	Base Year 2008 Value	Est. Captured Value 2023****
City of Dallas	$1,420,880,416	$189,162,613	$1,231,717,803
Dallas County	$1,420,880,416	$189,363,589	$1,231,516,827

* 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.
****** Based on Certified Taxable Values. Final values will be determined on February 01, 2024.

6. 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	0.62535	$7,702,486	
Dallas County	0.11864	$0	*****
Total for all Jurisdictions	$0.74399	$7,702,486	

***Participation rates for City of Dallas and Dallas County are 85% and 55% respectively.
****The District began collecting increment in fiscal year 2008-09.
***** Actual Dallas County collections reached the budget cap during fiscal year 2022.

B. The total amount of estimated tax increment to be billed for the 2023 tax year is $7,702,486. For 2022 tax year, increment in the amount of $7,023,130 was received.

City of Dallas, Texas
Deep Ellum 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 Financial Plan permits expenditures not to exceed $2,300,000 over the life of the Zone to reimburse the City for administrative costs. The Zone began reimbursing the General Fund in fiscal year 2009-10. 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 $285,338 on September 30, 2023, represents the Zone administration costs for the fiscal year 2018-2019 ($52,879), fiscal year 2019-2020 ($62,162), fiscal year 2020-2021 ($54,669), fiscal year 2021-2022 ($47,207), and fiscal year 2022-2023 ($68,421) 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 project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B: Financial Obligations Estimated Payoff

There are no outstanding financial obligations.

Appendix C – District-Wide Set-Aside Funds

The TIF District Increment Allocation Policy adopted by the TIF Board for the Deep Ellum TIF District currently provides for 5% of any District increment, after administrative expenses, to be set aside annually for District-Wide Improvements. Specific improvement projects are to be determined and the amount of this set-aside will be reviewed annually based on updated financial projections and District needs. The TIF District Board shall also have the discretion to release all or part of district-wide set-aside funds towards reimbursement of one or more TIF eligible projects. The intent of this set-aside is to leverage TIF District funds as a match for other funding.

The district-wide set-aside balance as of the end of FY 2022-2023 totals $1,509,534. There are no commitments at this time.

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.