



City of Dallas

**TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWENTY
("MALL AREA REDEVELOPMENT TIF DISTRICT")
BOARD OF DIRECTORS
SPECIAL CALLED MEETING
Reinvestment Zone Number Twenty, City of Dallas, Texas**

**March 17, 2025 at 4:00 p.m.
Dallas City Hall, 6DN Conference Room and Videoconference**

Detailed information pertaining to this agenda may be found at
<https://cityofdallas.legistar.com/Calendar.aspx>

Video Conference:

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m5be0c71b3b31dd89a22594aa0cf968da>

Telephone: (408) 418-9388 **Access Code:** 2495 904 4957

The City of Dallas will make reasonable modifications to programs and/or other related activities to ensure all residents have access to services and resources to ensure an equitable and inclusive meeting. Anyone requiring auxiliary aid, service, and/or translation to fully participate in the meeting should notify the Office of Equity & Inclusion by calling (214) 670-7311 or TTY (800) 735-2989, forty-eight (48) hours prior to the scheduled meeting. A video stream of the meeting will be available two business days after adjournment by visiting <https://dallascityhall.com/government/Pages/Live.aspx>.

Individuals and interested parties wishing to speak must register with the Office of Equity & Inclusion by calling (214) 670-7311, twenty-four (24) hours prior to the meeting date and time.

La Ciudad de Dallas llevará a cabo Modificaciones Razonables a los programas u otras actividades relacionadas para asegurar que todos y cada uno de los residentes tengan acceso a los servicios y recursos para asegurar una reunión equitativa e inclusiva. Cualquier persona que requiera asistencia adicional, servicio o interpretación para poder participar de forma íntegra en la reunión debe notificar a la Oficina de Equidad y Inclusión llamando al (214) 670-7311 o TTY (800) 735-2989, dos (2) días hábiles antes de la reunión programada. Una transmisión en video de la reunión estará disponible dos días hábiles luego de la finalización de la reunión en <https://dallascityhall.com/government/Pages/Live.aspx>.

Las personas y las partes interesadas que deseen hacer uso de la palabra deben registrarse en la Oficina de Equidad y Inclusión llamando al (214) 670-7311, 24 horas antes del tiempo de la reunión.

AGENDA

1. Call to order and introduction of meeting participants.
2. Public comments pertaining to agenda items 3 through 6.
3. Review and consideration of the Meeting Record of the April 29, 2024 meeting of the Mall Area Redevelopment TIF District Board of Directors.

Presenter: Kevin Spath, Director (I), Office of Economic Development

Recommended Action: Approval

4. Review of the Mall Area Redevelopment TIF District Annual Report for FY 2023-2024.
Presenter: Kevin Spath, Director (I), Office of Economic Development
Recommended Action: None; For informational purposes only.

5. Review and consideration of an amount not to exceed \$1,829,328.00 from the Mall Area Redevelopment TIF District Fund, to be leveraged by \$9,480,672.00 from the 2024 Bond Fund (Park and Recreation Facilities Proposition B), for the proposed acquisition in a total amount not to exceed \$11,310,000.00 from Montfort Valley View Shopping Center, LLC of approximately 79,916 square feet (1.83 acres) of commercially improved land addressed at 13305 Montfort Drive at the northeast corner of Montfort Drive and James Temple Drive to be assembled for the future central park as an area of public assembly in the Valley View-Galleria area, as envisioned in the City's Valley View-Galleria Area Plan, that will benefit the Mall Area Redevelopment TIF District and is necessary and convenient to the implementation of the Mall Area Redevelopment TIF District Project Plan and Reinvestment Zone Financing Plan.
Presenter: Kevin Spath, Director (I), Office of Economic Development.
Recommended Action: Approval and forward a recommendation of approval to City Council

6. Review and consideration of a regular meeting schedule for the Mall Area Redevelopment TIF District Board of Directors for calendar year 2025.
Presenter: Kevin Spath, Director (I), Office of Economic Development
Recommended action: Approval

7. Adjournment.

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De **acuerdo** con la **sección** 30.06 del **código** penal (**ingreso sin autorización** de un titular de **una licencia con una pistola oculta**), **una** persona con **licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas)**, **no puede ingresar a esta propiedad con una pistola oculta.**"

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De **acuerdo** con la **sección** 30.07 del **código** penal (**ingreso sin autorización** de un titular de **una licencia con una pistola a la vista**), **una** persona con **licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas)**, **no puede ingresar a esta propiedad con una pistola a la vista.**"

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

"De **conformidad** con la **Sección** 46.03, **Código Penal (coloca armas prohibidas)**, **una** persona **no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad.**"

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]

**Mall Area Redevelopment TIF District
(Reinvestment Zone Number Twenty)
Board of Directors
Meeting Record**

The Mall Area Redevelopment TIF District Board of Directors meetings are recorded. Agenda materials and digital recordings may be reviewed by visiting <https://dallastx.new.swagit.com/views/113>

Meeting Date: April 29, 2024 Scheduled Meeting Start time: 4:00 pm

Board members attending: Vice-Chairperson Amy Monier; Oscar Joyner; Mike Sims; Mahesh Gehani

Board members absent: Kiyundra Jones

Staff in attendance: Kevin Spath; Jozette Rosa; Ryan Doss; Teralandur Kasturi; Larry Collister; Lisa Mares; Veronica Barboza

Others in attendance: Peter Brodsky; Anna Butler; Andrea Guajardo

AGENDA:

1. Call to order.

With a quorum present, the Vice-Chairperson called the meeting to order at 4:11 pm.

2. Public comments pertaining to agenda items 3 through 4.

No public comments

3. Review and consideration of the Meeting Record of the January 22, 2024 Mall Area Redevelopment TIF District Board meeting.

Presenter(s): Kevin Spath

Action Taken/Board Recommendation: Approval.

Motion made by: Mahesh Gehani	Motion seconded by: Mike Sims
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

4. Review and consideration of a fourth amendment to the Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement (“2018 TIF/Chapter 380 Agreement”) with WCWRD Inc and its affiliate or subsidiaries (“Developer”), approved as to form by the City Attorney, related to the Reimagine RedBird Mall Redevelopment Project (“Project”), now known as the Shops at RedBird, generally located at the southeast corner of Camp

Mall Area Redevelopment TIF District Board of Directors
April 29, 2024
Meeting Record

Wisdom Road and Westmoreland Road in the Mall Area TIF District, specifically including (deletions are shown as strikethroughs; additions are shown in italicized and underlined font):

a. amending Section 2.C(7) as follows:

“Renovating and modernizing existing mechanical, electrical and structural systems including lighting, HVAC, flooring, and ceilings to create an office environment on the second floor of the in-line portion of the Mall, and in ~~the former Macy’s building~~ and the former Dillard’s building as described on Exhibit A-1 and shown on Exhibit A-2 (the former Macy’s, the former Dillard’s, and the in-line Mall buildings but excluding the parking areas which are included within the parcels containing such buildings being referred to collectively herein as the “Main Mall Properties”) by December 31, 2025;”

b. amending Section 2.D(2) as follows:

“Developer shall achieve a minimum occupancy of (i) at least 75% of ground floor retail space immediately surrounding the “green space” as noted in the Concept Plan and (ii) at least 60% on all other new construction and within the Main Mall Properties (excluding, if it has not yet been renovated and/or redeveloped, the former Macy’s building) by the CO Date and these retail spaces must continue to be occupied at these levels throughout the term of the Agreement (the “Occupancy Requirement”), the initial achievement of which shall be subject to extension under Section 1.B.”

c. amending Section 5.E as follows:

“Partial Lien Releases. Prior to repayment of the Loan, the City shall execute partial releases of its lien and/or execute subordination agreements for portions of the Property that are contributed, sold or ground leased to unaffiliated third parties for vertical development of multi-family, hotel, or other commercial, residential, or mixed-use developments. Notwithstanding the foregoing, until the Loan is paid in full, Developer shall ensure that the Main Mall Properties remain under the direct ownership and control of the Loan Guarantor or under ownership and control of a subsidiary entity of which the Loan Guarantor is the sole member and/or holds a controlling interest in such subsidiary entity; provided, however, that, with the prior written consent of the Director of the Office of Economic Development, such consent not to be unreasonably withheld, the former Macy’s building may be

**Mall Area Redevelopment TIF District Board of Directors
 April 29, 2024
 Meeting Record**

contributed to a joint venture in which the Loan Guarantor receives a percentage of the joint venture commensurate with the value of the Macy’s property only if doing so will result in the redevelopment/adaptive reuse of the former Macy’s building into a hotel or other use(s) acceptable to Director that is expected to increase the value of the former Macy’s building.”

- d. as consideration to the City for the specific amendments listed above, amending Section 2.A to increase the Developer’s minimum Investment Requirement by \$15,000,000 for the Project from \$135,000,000 to \$150,000,000; and
- e. making any modifications to any other associated Project documents as may be necessary to effectuate the specific amendments described herein.

Presenter(s): Kevin Spath

Action Taken/Board Recommendation: Approval and forward a recommendation of approval to City Council

Motion made by: Oscar Joyner	Motion seconded by: Mahesh Gehani
Item passed unanimously: X	Item passed on a divided vote:
Item failed unanimously:	Item failed on a divided vote:

Vice-Chairperson Monier introduced Mr. Spath. Mr. Spath provided an overview of the agenda item. Following the overview, several questions were asked by the Board members and answered by Mr. Spath and Mr. Brodsky.

5. Adjourn

The meeting was adjourned at 4:26 pm

I attest that this record is an accurate reflection of the business conducted by the Mall Area Redevelopment TIF Board on this date.

 (Chairperson Signature)

 (Board Coordinator Signature)

MALL AREA REDEVELOPMENT TIF DISTRICT (REINVESTMENT ZONE NUMBER TWENTY)

ANNUAL REPORT
FY 2023-2024



City of Dallas

Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
(214) 670-1691

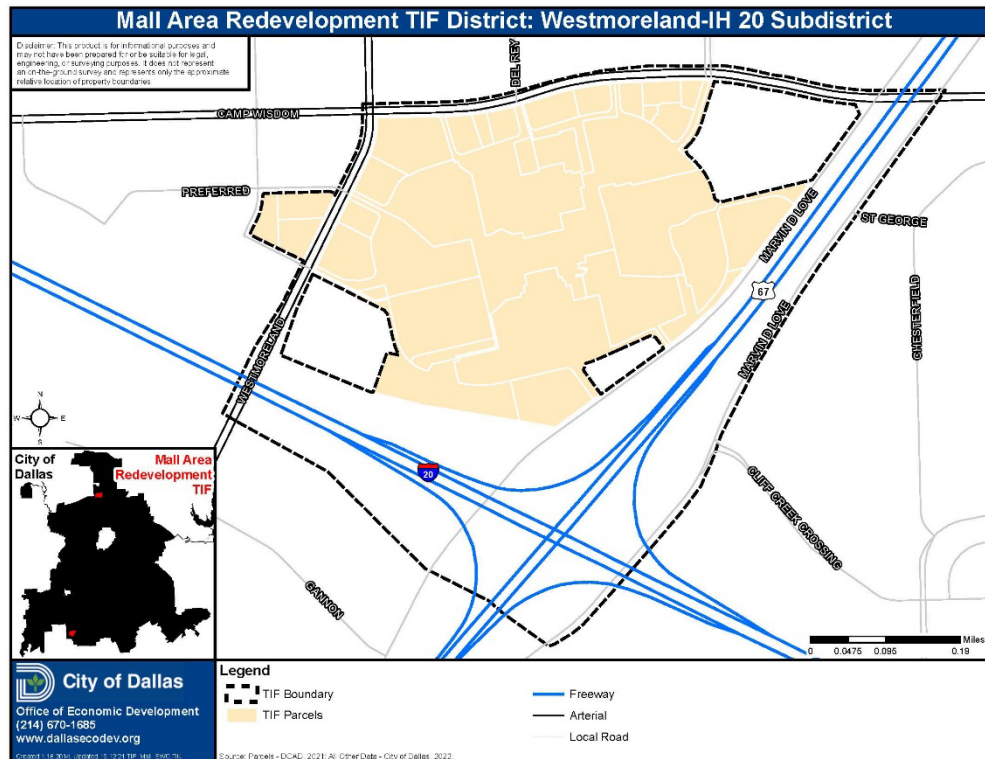
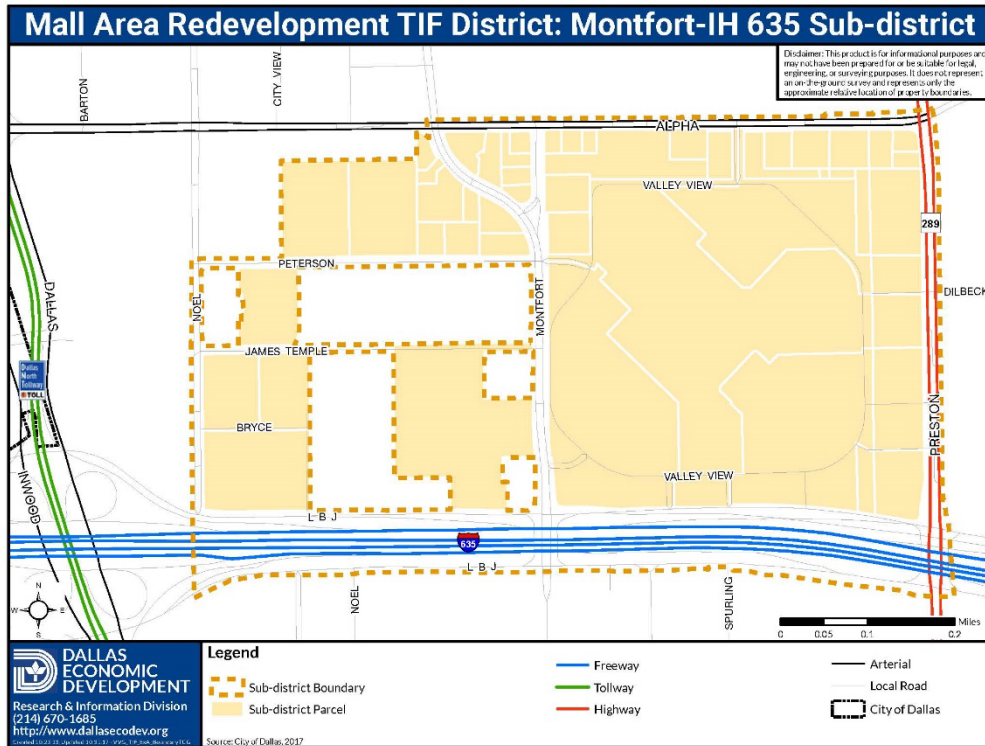
<https://www.dallasecodev.org/>

October 1, 2023 to September 30, 2024

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TIF District Map



TIF District Mission Statement

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

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

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

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

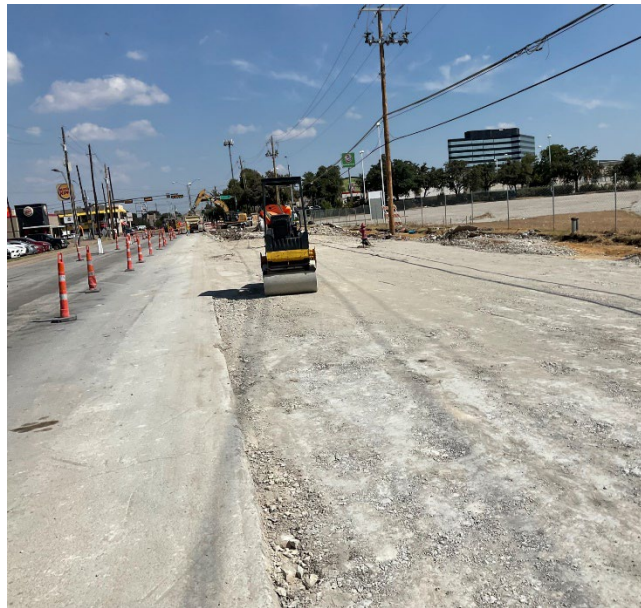
The mission of the TIF District is to provide a source of funding for a program of public investments (e.g. infrastructure improvements, economic development grants, and land acquisition/assembly for public open space), which is intended to stimulate private investment and redevelopment in each mall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

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

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

TIF District Accomplishments in FY 2023-2024

- In November 2020, voters approved a Dallas Independent School District (DISD) bond package, including \$75 million to design and build a new preK-12 vertically integrated choice school in North Dallas. During the first half of FY 2021-2022, DISD actively evaluated potential sites in the Valley View-Galleria area. In July 2022, DISD closed on the purchase of the 12-story office building and associated parking garage located on 6.2 acres at 5501 LBJ Freeway within the Montfort-IH 635 Sub-District of the Mall Area Redevelopment TIF District. During FY 2023-2024, DISD continued the process of planning and designing the building's conversion into a school with support from the City of Dallas. DISD anticipates opening the school in 2026.
- In June 2021, City Council approved Resolution No. 21-1095 authorizing a construction services contract (not to exceed \$4,470,719) with Vescorp Construction, LLC dba Chavez Concrete Cutting for the construction of a complete street project on Montfort Drive from Interstate Highway 635 Frontage Road to Alpha Road. The project includes improving the existing street pavement with reinforced concrete pavement, storm drainage, water and wastewater, concrete sidewalk, shared-use concrete path, buffered bike lanes, street and pedestrian lighting, traffic signals, pavement markings, speed control treatments, and pedestrian enhancements. Originally, construction of the project was scheduled to start in early 2022 and be completed by mid-2023. However, due to delays in utility pole relocation by Oncor as well as contract disputes between the City and Vescorp Construction, construction of the project did not commence in 2022; however, construction did commence in March 2023 and is anticipated to be completed by early 2025.



Construction progress along Montfort Drive

- In March 2023, City Council approved Resolution No. 23-0369 authorizing the City's acceptance of a \$7,854,750 grant from the U.S. Department of Transportation through TxDOT under the Congestion Mitigation and Air Quality Improvement Program and the execution of an Advance Funding Agreement with TxDOT. The project includes \$6,354,750 of federal/state funding and \$1,500,000 of local match funding (\$1,400,000 sourced from the City's 2017 General Obligation Bond Fund – Street and Transportation Proposition A and \$100,000 sourced from the City's Coronavirus State and Local Fiscal Recovery Fund) to reconstruct and widen sidewalks, install pedestrian streetlights, and upgrade crosswalks and traffic signal infrastructure along West Camp Wisdom Road from U.S. Highway 67 to Westmoreland Road. In October 2023, the City executed the Advance Funding Agreement with TxDOT (with the City agreeing to lead implementation of the environmental assessment, engineering, and construction for the project). In April 2024, the City issued Request for Qualifications CIZ24-TRN-3070 "Camp Wisdom Road – Pedestrian Improvements Engineering Services (CSJ 0918-47-368)." The City's selection of an engineering services firm is anticipated in early 2025. Commencement of construction is anticipated in late 2026.
- In September 2023, City Council approved Resolution No. 23-1331 authorizing a professional engineering services contract with HDR Engineering, Inc. to conduct traffic corridor studies for three roadway segments in the city of Dallas that are on the Vision Zero High Injury Network, specifically including Camp Wisdom Road from Cockrell Hill Road to IH 35, at a total cost not to exceed \$853,093 (sourced from the City's General Fund). The study includes three main phases: (1) assess existing transportation conditions and evaluate multi-modal mobility and crash history, (2) analyze alternative designs for the corridor, and (3) finalize recommended transportation improvements to reduce instances of severe crashes and improve the quality of life for roadway users. In June 2024, the City's Transportation & Public Works Department held a public meeting to provide an overview of the study, present existing conditions, discuss improvement options to be evaluated, and lay out next steps. A second public meeting is scheduled for late 2024 to review potential roadway improvements and community survey results.
- Following award by TxDOT in March 2022 of \$400,000 of federal/state funding and authorization by City Council in January 2023 of an Advance Funding Agreement with TxDOT, City Council approved Resolution No. 24-0264 in February 2024 authorizing (1) a construction services contract for the construction of landscape enhancements for U.S. Highway 67 (U.S. 67) at Camp Wisdom Road Project (CSJ No. 0261-03-070, Assistance Listing No. 20.205) – Central North Construction, lowest responsible bidder of two in the amount of \$404,859.00; (2) the establishment of appropriations in an amount not to exceed \$420,000.00 in the U.S. 67 at Camp Wisdom Rd, TxDOT Green Ribbon Project Fund – Not to exceed \$424,859.00 – Financing: Bond Program Administration Fund (\$4,859.00) and U.S. 67 at Camp Wisdom Rd, TxDOT Green Ribbon Project Fund (\$420,000). Completion of the Green Ribbon project is anticipated in late 2024.



Northwest Quadrant of Green Ribbon Project

- In 2022, following a strategic planning effort initiated by the City's Office of Economic Development and developed by the City's consultant, Social Impact Architects, the City established a specific brand and identity for the Valley View-Galleria area as the "Dallas International District." The Dallas International District is a designated area focused on fostering international trade, foreign direct investment, and cultural exchange. The Prism building at 5580 Peterson (acquired by the City partially with Mall Area Redevelopment TIF District funds in April 2021) serves as a key hub for attracting foreign trade offices. In December 2022, the first trade office, the Trade Office of France, opened in The Prism, and, in May 2023, the European American Chamber of Commerce of Texas opened in The Prism. In May 2024, the Tanzanian American Chamber of Commerce opened its national office in The Prism.



Ribbon Cutting of Tanzanian American Chamber of Commerce

- During FY 2023-2024, significant progress continued to be made on the redevelopment project at Red Bird Mall (now known as the Shops at RedBird), including:
 - Completion of new 4,680 square foot Chick-fil-A restaurant at 3502 W. Camp Wisdom Road. Grand opening was celebrated on November 9, 2023.



Chick-fil-A Grand Opening Ribbon Cutting

- Completion of Dallas College's \$5 million 53,000 square foot Workforce Development and Training Center. The workforce center delivers training in the fields of information technology, health care, manufacturing, logistics, customer care and more. Grand opening was celebrated on December 8, 2023.



Dallas College Workforce Development & Training Center

- Substantial completion of a new multi-tenant retail building (5,400 square feet) following demolition of vacant former Blockbuster Video building (7,000 square feet) at 3420 W. Camp Wisdom Road.
- Completion of \$2.1 million 12,600 square foot expansion of the Dallas Entrepreneur Center (DEC) at RedBird. The DEC at Redbird is now a 20,000 square foot state-of-the-art incubation center primarily offering membership and co-working services to southern Dallas entrepreneurs.

The center provides entrepreneurs access to education, mentorship, and advocacy resources through a variety of events and programming to help entrepreneurs start, build, and grow their businesses. Grand opening was celebrated on April 18, 2024.



DEC at RedBird Expansion Grand Opening Ribbon Cutting

- Following City Council's approval in April 2023 of Resolution No. 23-0505 authorizing an economic development incentive agreement with Randall's Food & Drugs LP (Albertsons Companies, Inc.) in consideration of the development and operation of a new approximately \$19 million 50,000 square foot full-service Tom Thumb grocery store at RedBird, the Shops at RedBird developer and Albertsons Companies progressed through design and permitting in FY 2023-2024, with commencement of construction anticipated in late 2024.
- Following City Council's approval in June 2023 of Resolution No. 23-0793 authorizing a New Markets Tax Credit transaction between the Dallas Development Fund and its subsidiaries, JPMorgan Chase and its subsidiaries, and Vogel Alcove for a new approximately \$6.1 million 14,477 square foot childcare and resource center at RedBird (with capacity to serve 134 children ages 6 weeks through prekindergarten), interior construction commenced and continued during FY 2023-2024. Completion of construction and opening of the childcare center is anticipated in early 2025.
- During FY 2023-2024, the Shops at RedBird developer proceeded with construction of an approximately \$9.3 million improvement project for the West Wing of the mall, including interior renovations to common areas and new tenant spaces as well as exterior renovations including façade improvements, new entryway, new windows and storefronts, new signage, new landscaping and hardscaping, and new open space amenities (with new playground). Completion of the West Wing improvements is anticipated in late 2024.



Exterior of West Wing improvements - Shops at RedBird



Interior of West Wing improvements - Shops at RedBird

Projects Within the Mall Area Redevelopment TIF District Utilizing TIF District Funding ¹							
Project	Location	Sub-District	Completion Date (Calendar Year)	Status	Development Amount/Type ²	Approx Value ³	TIF District Investment ⁴
Reimagine RedBird ⁶	3662 W. Camp Wisdom	Westmoreland-IH 20	2025	Under Construction	demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$150,000,000	\$15,600,000
TOTAL					demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$150,000,000	\$15,600,000

Projects Within the Mall Area Redevelopment TIF District Not Utilizing TIF District Funding ^{1,5}							
Project	Location	Sub-District	Completion Date (Calendar Year)	Status	Development Amount/Type ²	Approx Value ³	TIF District Investment ⁴
Windsor by the Galleria	13290 Noel Road	Montfort-IH 635	2017	Complete	new construction of multi-family residential (321 units)	\$69,250,000	\$0
AC Hotel and Residence Inn (by Marriott) by the Galleria	5460 James Temple	Montfort-IH 635	2018	Complete	new construction of hotel (256 rooms)	\$25,480,000	\$0
Cornell Midtown	13001 Cornell	Montfort-IH 635	2020	Complete	new construction of multi-family residential (344 units)	\$70,000,000	\$0
Palladium RedBird ^{6,7}	7202 S. Westmoreland	Westmoreland-IH 20	2021	Complete	new construction of multi-family residential (300 units)	\$46,500,000	\$0
Hazel by the Galleria	13100 Noel	Montfort-IH 635	2023	Complete	new construction of multi-family residential (398 units)	\$64,587,000	\$0
TOTAL					new construction of multi-family residential (1,363 units) new construction of hotel (256 rooms)	\$275,817,000	\$0

Grand Total - All Projects Utilizing and Not Utilizing TIF District Funding					Approx Value ³	TIF District Investment ⁴	
GRAND TOTAL					new construction of multi-family residential (1,363 units) new construction of hotel (256 rooms) demolition of 100,000 square feet retail renovation of 600,000 square feet retail new construction of 40,000 square feet retail	\$425,817,000	\$15,600,000

¹ All information updated as of September 30, 2024.

² Based upon: either the incentive application or the required minimum stated in the Development Agreement. May be updated for completed projects based on actual unit mix and square footage.

³ Based upon: (1) market value of comparable projects for anticipated projects, (2) required minimum private investment stated in the Development Agreement for projects that have been approved for TIF District funding or are under construction, or (3) DCAD market value for completed projects (unless project has not yet been assessed).

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

⁵ Selected significant projects included.

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

⁷ Tax-exempt property.

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

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in projects using direct site-specific TIF district funding assistance are subject to the City’s and County’s established criteria for mixed-income housing.

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

family project located at 13100 Noel. The Hazel by the Galleria project did not utilize direct site-specific TIF District funding and, as such, does not set aside any affordable units. In the Westmoreland-IH 20 Sub-District, construction was completed in 2021 on the 300-unit Palladium Redbird mixed-income apartment project located at 7202 S. Westmoreland Road within the Reimagine Redbird redevelopment. As a requirement of the funding sources (i.e. housing tax credits; tax exempt bonds; CDBG/HOME funds; City general obligation bond funds) utilized to develop the project, 70% of the 300 units (i.e. 210 units) are reserved and leased solely to households earning at or below 60% of Area Median Family Income as defined by the U.S. Department of Housing and Urban Development. The 210 affordable units are required to remain affordable for a minimum of 20 years. The remaining 30% of the units in the project (i.e. 90 units) can be leased at market rates.

Value and Increment Revenue Summary

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

In the 2024 certified tax roll, the total appraised value of all taxable real property in the TIF District as determined by the Dallas Central Appraisal District was \$434,040,002, representing an increase of \$257,752,922 (146.2%) over the adjusted base value.

In the Montfort-IH 635 Sub-District, the certified total appraised value of all taxable real property in tax year 2024 was \$372,526,538, representing an increase of \$223,934,798 (150.7%) over the base value.

In the Westmoreland-IH 20 Sub-District, the certified total appraised value of all taxable real property in tax year 2024 was \$61,513,464, representing an increase of \$33,818,124 (122.1%) over the adjusted base value.

Year-over-year, the TIF District's 2024 certified total value increased by \$29,921,612 (7.4%) over the TIF District's 2023 final value of \$404,118,390.

With the City's participation in the TIF District for tax year 2024 at 90%, the captured incremental tax revenue anticipated to be collected and deposited into the TIF fund in 2025 for tax year 2024 is approximately \$1,634,746.

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

demolition work made to the in-line portion of the mall by TX Dallas Midtown, L.P., Dallas County staff concluded that the County's qualifying condition of participation had not been fully satisfied because Dallas Midtown, L.P. had kept a portion of the mall intact in order to specifically keep the movie theater operating. As a result, Dallas County's participation in the TIF District for tax year 2024 is currently 0%. With the remaining portions of the mall having been fully demolished in 2023, Dallas County staff has indicated strong support for pursuing a new Court Order in 2025 to authorize the County's participation for the same duration (20 years) and at the same rate (55%) as development activities in the Montfort-IH 635 Sub-District begin to regain momentum again following the COVID-19 pandemic.

Objectives, Programs, and Success Indicators

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

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

Taxable value in the Montfort-IH 635 Sub-District has increased \$223,934,798 over the base value (representing 5.7% of goal).

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

Taxable value in the Westmoreland-IH 20 Sub-District has increased \$33,818,124 over the base value (representing 11.5% of goal).

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

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

- Goal 4: To attract new higher density private development in the Westmoreland-IH 20 Sub-District totaling approximately 140,000 square feet of new retail space; 45,000 square feet of movie theater; 70,000 square feet of new office space; 80

new hotel rooms; and 1,620 new residential units (including apartments and townhomes).

In the Westmoreland-IH 20 Sub-District, 32,893 square feet of new retail space have been completed, including Chick-fil-A (4,680 square feet), Starbucks (2,550 square feet), and Foot Locker (20,493 square feet). As of September 30, 2024, a new 5,170 square-foot multi-tenant retail building at 3420 W. Camp Wisdom Road is also nearing completion (23.5% of goal). Additionally, 300 new multi-family residential units have been completed, representing (19% of goal). There are no new hotel rooms planned (0% of goal).

Approximately 142,705 square feet of former retail space has been converted for office use (Dallas Entrepreneur Center—20,000 square feet; Jarvis Christian College—6,018 square feet; Workforce Solutions Greater Dallas—30,000 square feet; Chime Solutions, Inc.—33,687 square feet; Dallas College Workforce Development and Training Center – 53,000 square feet).

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

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

During FY 2023-2024, substantial progress was made on the Montfort Drive Complete Street Project, which spans Montfort Drive from the Interstate Highway 635 Frontage Road to Alpha Road, with completion anticipated by the early 2025. The project will include improving the existing street pavement with reinforced concrete pavement, storm drainage, water and wastewater, concrete sidewalk, shared-use concrete path, buffered bike lanes, street and pedestrian lighting, traffic signals, pavement markings, speed control treatments, and pedestrian enhancements.

- Goal 6: To increase public open space in the District.

During FY 2023-2024, staff supported ongoing efforts to acquire/assemble property for the future Dallas International Commons Park. On May 4, 2024, City of Dallas voters approved all 10 propositions comprising the 2024 General Obligation Bond Program totaling \$1.25 billion. Included in the 2024 Bond Program is Proposition B: Park & Recreation Facilities, which allocates \$345.27 million, specifically including \$20 million for Dallas International District – Land Acquisition. Funds will be utilized to acquire

property for the future 20-acre central park envisioned in the Montfort-IH 635 Sub-District.

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

Total collection of TIF District fund revenues: \$4,961,611 (1.15% of goal).

Year-End Summary of Meetings and City Council Items

The Mall Area Redevelopment TIF District Board of Directors had two (2) meetings during FY 2023-2024: January 22, 2024 (special called meeting); and April 29, 2024 (special called meeting).

The Board can consist of up to seven members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2023-2024, the Board members were (FY 2023-2024 Board meetings attended):

- Position 1: Oscar Joyner—City representative (2 of 2 meetings)
- Position 2: Mahesh Gehani—City representative (2 of 2 meetings)
- Position 3: Kiyundra Jones—City representative (0 of 2 meetings)
**Termed out in June 2024*
- Position 4: Vacant
- Position 5: Mike Sims—City representative (2 of 2 meetings)
- Position 6: Amy Monier—City representative (2 of 2 meetings)
- Position 7: Dallas County's appointment of a Board member for Position 7 cannot occur until after the County's approval of a new interlocal agreement with the City to participate in the Mall Area Redevelopment TIF District (see page 13)

During FY 2023-2024, City Council acted on four (4) items associated with the Mall Area Redevelopment TIF District:

- On February 14, 2024, City Council approved Resolution No. 24-0264 authorizing (1) a construction services contract for the construction of landscape enhancements for U.S. Highway 67 (U.S. 67) at Camp Wisdom Road Project (CSJ No. 0261-03-070, Assistance Listing No. 20.205) – Central North Construction, lowest responsible bidder of two in the amount of \$404,859.00; (2) the establishment of appropriations in an amount not to exceed \$420,000.00 in the

U.S. 67 at Camp Wisdom Rd, TxDOT Green Ribbon Project Fund – Not to exceed \$424,859.00 – Financing: Bond Program Administration Fund (\$4,859.00) and U.S. 67 at Camp Wisdom Rd, TxDOT Green Ribbon Project Fund (\$420,000)

- On February 28, 2024, City Council approved Resolution No. 24-0352 accepting the FY 2022-2023 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Twenty (Mall Area Redevelopment TIF District or District) and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District and to the State Comptroller, as required by state law - Financing: No cost consideration to the City
- On May 15, 2024, City Council received the report of the Ad Hoc City Council Canvassing Committee and adopted Resolution No. 24-0695 and order accepting the canvassing committee's report declaring the results of the May 4, 2024 special bond election held within the City of Dallas – Financing: No cost consideration to the City
- On May 22, 2024, City Council approved Resolution 24-0779 authorizing a fourth amendment to the Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement ("2018 TIF/Chapter 380 Agreement") with WCWRD Inc and its affiliates or subsidiaries ("Developer"), approved as to form by the City Attorney, related to the Reimagine RedBird Mall Redevelopment Project ("Project"), now known as the Shops at RedBird, generally located at the southeast corner of Camp Wisdom Road and Westmoreland Road in the Mall Area Redevelopment TIF District, specifically including modifications to Section 2.C(7), Section 2.D(2), and Section 5.E, and any modifications to any other associated Project documents as may be necessary to effectuate the specific modifications; and as consideration for the fourth amendment, increase the Developer's minimum Investment Requirement by \$15,000,000.00 for the Project from \$135,000,000.00 to \$150,000,000.00 - Financing: No cost consideration to the City.

Budget and Spending Status

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

Mall Area Redevelopment TIF District Projected Increment Revenue to Retire TIF Fund Obligations			
	B	C	B - C
Category	TIF Budget**	Allocated	TIF Balance
Montfort-IH 635 Sub-District			
Public Infrastructure Improvements; Environmental Remediation & Demolition; Grants for Economic Development	\$264,229,113	\$0	\$264,229,113
Land Acquisition for Sub-District-Wide Central Open Space***	\$72,659,277	\$652,913	\$72,006,364
Sub-District-Wide Infrastructure Improvements	\$24,219,759	\$0	\$24,219,759
Westmoreland-IH 20 Sub-District			
Public Infrastructure Improvements; Environmental Remediation & Demolition; Parks, Open Space, Trails, Gateways; Grants for Economic Development	\$72,665,022	\$15,600,000	\$57,065,022
Administration and Implementation*	\$7,684,059	\$802,224	\$6,881,835
Total Project Costs	\$441,457,229	\$17,055,137	\$424,402,093
<small>* TIF District administration costs shown are expended through FY 2023-2024 ** TIF District Budget shown above is in current dollars (updated yearly); TIF District Project Plan and Reinvestment Zone Financing Plan shows the budget in net present value. *** For land acquisition and associated costs; not for design, construction, maintenance, or operating/programming costs.</small>			

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

FY 2024-2025 Work Program

The FY 2024-2025 work program for the Mall Area Redevelopment TIF District includes:

- Continued coordination with interested property owners/investors/developers on potential development incentive applications.
- Consideration of any potential TIF District boundary amendments and/or plan amendments that are necessary or convenient to further implement the Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District.
- Continued coordination and staff support for City-initiated public infrastructure projects benefitting the TIF District.
- Continued coordination with Dallas County on execution of an interlocal agreement for participation in the TIF District.
- Continued coordination and staff support for the continued implementation of the Valley View-Galleria Area Plan and the ULI vision for Southwest Center Mall (now Red Bird Mall), including funding opportunities from other governmental entities or private philanthropic entities; City bond projects; park land acquisition; public improvement district; etc.
- Continued coordination with Dallas Independent School District (DISD) regarding the new preK-12 vertically integrated school to be located in the 12-story office building at 5501 LBJ Freeway. DISD is expected to open the school in 2026.
- Continued coordination with City of Dallas Economic Development Corporation and the City's Office of Government Affairs to continue implementation of the Strategic Plan for the International District.

Appendix A: Financials

City of Dallas, Texas
Mall Area Redevelopment Tax Increment Financing District Fund
Reinvestment Zone Number Twenty
As of September 30, 2024 (Unaudited)

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIF District. Information is contained in detail on the attached financial statements.

1. Amount and source of revenue in the tax increment fund established for the Zone:

\$161,291	Interest Income & net change in fair value of investments
\$1,507,805	Ad Valorem Taxes (Collected in FY 2023-24 based on 2023 Final Tax Roll)
\$1,669,097	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$54,816	Administrative Expense - TIF admin cost for fiscal year 2023-24
\$215,791	Non-Capital Outlay - Interest Payment on RedBird Loan #1 & #2 for fiscal year 2023-2024
\$0	Capital outlay
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
\$270,607	Total Expenditures

3. Amount of Principal and Interest due-on outstanding indebtedness:

The zone did not have any bonded indebtedness at fiscal year end September 30, 2024.

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

Taxing Jurisdiction	Taxable Value 2024*	Base Year	Base Year Value	Est. Captured Value 2024
City of Dallas - Montfort IH 635 Subdist	\$372,526,538	2014 Value	\$148,591,740	\$223,934,798
City of Dallas - Westmoreland IH20 Subdistrict Zone A	\$52,176,280	2014 Value	\$19,765,890	\$32,410,390
City of Dallas - Westmoreland IH20 Subdistrict Zone B	\$9,337,184	2021 Value	\$7,929,450	\$1,407,734
	\$434,040,002		\$176,287,080	\$257,752,922

*Based on Certified Taxable Value. The final values will be determined on February 01, 2025.

5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality:

A. Estimated tax increment shared by the municipality and other participating taxing jurisdictions:

Taxing Jurisdiction	Assessment Per \$100	Estimated 2024 Increment**
City of Dallas	0.63423	\$1,634,746
Total for all Jurisdictions	\$0.63423	\$1,634,746

**Dallas County does not participate in the zone in 2024. Participation rates for City of Dallas is as follows:

City of Dallas	Dallas County
90% for tax years 2016-2042	See Note on page 13 of this Annual Report
75% for tax year 2043	
55% for tax year 2044	

B. The total amount of estimated tax increment to be billed for the 2024 tax year is \$1,634,746.00. For the 2023 tax year, the Zone received increment of \$1,507,805.00

Appendix A: Financials

City of Dallas, Texas

Mall Area Redevelopment Tax Increment Financing District Fund

Balance Sheet as of September 30, 2024 (Unaudited)

With Comparative Totals for September 30, 2023, 2022, 2021, and 2020 (Audited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:					
Pooled cash and cash equivalents	\$3,301,405	\$1,901,775	\$1,048,283	\$691,706	\$890,437
Interest receivable	\$44,986	\$11,257	\$1,725	\$142	\$787
Total assets	<u>\$3,346,391</u>	<u>\$1,913,032</u>	<u>\$1,050,008</u>	<u>\$691,848</u>	<u>\$891,224</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Due to other funds	\$234,134	\$203,784	\$196,642	\$137,115	\$85,355
Total liabilities	<u>\$234,134</u>	<u>\$203,784</u>	<u>\$196,642</u>	<u>\$137,115</u>	<u>\$85,355</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	<u>\$3,107,737</u>	<u>\$1,709,248</u>	<u>\$853,366</u>	<u>\$554,732</u>	<u>\$805,869</u>
Total Liabilities and Fund Equity	<u>\$3,341,872</u>	<u>\$1,913,032</u>	<u>\$1,050,008</u>	<u>\$691,848</u>	<u>\$891,224</u>

Mall Area Redevelopment Tax Increment Financing District Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Balance Sheet as of September 30, 2024 (Unaudited)

With Comparative Totals for September 30, 2023, 2022, 2021, and 2020 (Audited)

	<u>ITD</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Tax increment-Governmental	\$4,961,611	\$1,507,805	\$1,067,995	\$424,533	\$518,053	\$516,926
Tax increment-Intergovernmental	\$0	\$0	\$0	\$0	\$0	\$0
Interest income	\$178,961	\$106,438	\$48,424	\$4,946	\$2,442	\$6,982
Net increase (decrease) in fair value of investments	\$11,534	\$54,853	(\$23,740)	(\$20,925)	(\$1,585)	\$2,185
Total revenues	<u>\$5,152,106</u>	<u>\$1,669,097</u>	<u>\$1,092,679</u>	<u>\$408,554</u>	<u>\$518,910</u>	<u>\$526,093</u>
Expenditures:						
Administrative expenses	\$802,224	\$54,816	\$68,031	\$59,526	\$50,977	\$86,649
Non-Capital Outlay	\$589,894	\$215,791	\$168,767	\$50,393	\$66,817	\$84,860
Capital outlay	\$652,251	\$0	\$0	\$0	\$652,251	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$2,044,369</u>	<u>\$270,607</u>	<u>\$236,798</u>	<u>\$109,919</u>	<u>\$770,045</u>	<u>\$171,509</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$3,107,737</u>	<u>\$1,398,490</u>	<u>\$855,881</u>	<u>\$298,635</u>	<u>(\$251,135)</u>	<u>\$354,584</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$1,709,248	\$853,367	\$554,732	\$805,868	\$451,285
Fund balance (Deficit) at beginning of year, as restated	\$0	\$1,709,248	\$853,367	\$554,732	\$805,868	\$451,285
Fund balance (deficit) at end of year	<u>\$3,107,737</u>	<u>\$3,107,737</u>	<u>\$1,709,248</u>	<u>\$853,367</u>	<u>\$554,732</u>	<u>\$805,869</u>

Note: Fiscal Year 2023-24 unaudited financial statements are based on preliminary close numbers and are subject to review by the City Controller's Office prior to approval by the City Council. In case of any material changes, TIF board will be provided with the updated financial statements.

Appendix A: Financials

City of Dallas, Texas

Mall Area Redevelopment Tax Increment Financing District (Reinvestment Zone #20)

Notes to Financial Statements for the Year Ended September 30, 2024

1. The measurement focus used for the Zone fund is a flow of financial resources. The financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, tax increment revenues and interest are recognized as revenue when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.
2. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
3. The Zone's cash balances are invested in the City's investment pool and include amounts in demand deposits as well as short-term investments. Pooled investments and short-term non-pooled investments are treated as cash equivalents. Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.
4. All project costs resulting in capital improvements which are owned by the City are capitalized in the City's fixed assets.
5. The Zone's Financing Plan permits expenditures not to exceed \$7,684,059 (current dollars) over the life of the Zone to reimburse the City for administrative expenses.
6. On the Balance Sheet, the "due to other funds" amount of \$234,134 on September 30, 2024 represents the Zone's administration expenses for FY 2020-2021 (\$51,760), FY 2021-2022 (\$59,526), FY 2022-2023 (\$68,031), and FY 2023-2024 (\$54,816) that have been earned but will be reimbursed to the City's General Fund based on the availability of future Zone funds.
7. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B: Financial Obligations

As of the end of FY 2023-2024, there is one TIF District funding obligation:

- Tax Increment Development, Chapter 380 Grant, and Chapter 380 Loan Agreement (Agreement) with WCWRD Inc (Developer) in an amount not to exceed \$15,600,000 (TIF Subsidy). Note: Per the Agreement, Developer has assigned all rights to receive payment of the TIF Subsidy to the City of Dallas as collateral for and in payment of a loan in an amount not to exceed \$12,000,000 from the City's Public/Private Partnership Fund. The City made the first disbursement of the Loan in an amount of \$6,000,000 to Developer on June 10, 2019, in accordance with the terms and conditions as set forth in the Agreement. As of September 30, 2019, notes receivable in the amount of \$6,000,000 had been set up in the City's Public/Private Partnership Fund, and accrued interest through September 30, 2024 was \$408,973.00 (including additional accrued interest for FY 2023-2024 of \$120,000.00). Of the outstanding accrued interest of \$408,973.00, \$107,895.00 was transferred from the Mall Area Redevelopment TIF District Fund to the Public/Private Partnership Fund to pay down a portion of the outstanding accrued interest in accordance with the terms and conditions of the Agreement. On September 30, 2024, the net accrued remaining interest balance is \$301,078.00.
- The City made the second disbursement of the Loan in an amount of \$6,000,000 to Developer on February 19, 2020, in accordance with the terms and conditions as set forth in the Agreement. As of September 30, 2020, notes receivable in the amount of \$6,000,000 had been set up in the City's Public/Private Partnership Fund, and accrued interest through September 30, 2024 was \$410,655.00 (including additional accrued interest for FY 2023-2024 of \$120,000.00). Of the outstanding accrued interest of \$410,655.00, \$107,895.00 was transferred from the Mall Area Redevelopment TIF District Fund to the Public/Private Partnership Fund to pay down a portion of the outstanding accrued interest in accordance with the terms and conditions of the Agreement. On September 30, 2024, the net accrued remaining interest balance is \$302,760.00.

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

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

Annual Process (Montfort-IH 635 Sub-District)

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

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

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

- 2) Transfer to the Westmoreland-IH 20 Sub-District: Ten percent (10%) of the Montfort-IH 635 Sub-District Net Increment will be annually transferred to the Westmoreland-IH 20 Sub-District to help facilitate the revitalization and redevelopment of the Redbird Mall area.
FY 2023-2024 Transfer Amount: \$103,037.94
- 3) Set Aside for Sub-District-Wide Public Infrastructure Improvements: Ten percent (10%) of the Montfort-IH 635 Sub-District Net Increment will be set aside annually for Sub-District-Wide Public Infrastructure Improvements (i.e. improvements not specific to a single development site such as gateways, trails, parks/open space, public facilities, or utility/streetscape improvements benefitting multiple parcels or blocks, regardless of ownership).
FY 2023-2024 Allocation Amount: \$103,037.94
- 4) Set Aside for Land Acquisition for Sub-District-Wide Central Open Space: Since the long-term redevelopment potential of the area will be limited without a large central open space and since TIF funding assistance of land acquisition for the large central open space will be critical to making the Montfort-IH 635 Sub-District a dense, walkable, livable, and sustainable place, thirty percent (30%) of the Montfort-IH 635 Sub-District Net Increment will be set aside annually for Land Acquisition for Sub-District-Wide Central Open Space.
FY 2023-2024 Allocation Amount: \$309,113.83

Memorandum



CITY OF DALLAS

DATE March 17, 2025

TO Mall Area Redevelopment TIF District Board of Directors

SUBJECT

Agenda Item #5: Review and consideration of an amount not to exceed \$1,829,328 from the Mall Area Redevelopment TIF District Fund, to be leveraged by \$9,480,672 from the 2024 Bond Fund (Park and Recreation Facilities Proposition B), for the proposed acquisition in a total amount not to exceed \$11,310,000 from Montfort Valley View Shopping Center, LLC of approximately 79,916 square feet (1.83 acres) of commercially improved land addressed at 13305 Montfort Drive at the northeast corner of Montfort Drive and James Temple Drive to be assembled for the future central park as an area of public assembly in the Valley View-Galleria area, as envisioned in the City's Valley View-Galleria Area Plan, that will benefit the Mall Area Redevelopment TIF District and is necessary and convenient to the implementation of the Mall Area Redevelopment TIF District Project Plan and Reinvestment Zone Financing Plan

This acquisition represents an important and catalytic next step in the City's assembly of property needed for the future central park as envisioned in the Valley View-Galleria Area Plan and the Mall Area Redevelopment TIF District Project Plan and the Reinvestment Zone Financing Plan.

On February 20, 2025, the City's Park and Recreation Board reviewed and approved the proposed acquisition with \$9,480,672 from the 2024 General Obligation Bond Program Proposition B (Park and Recreation Facilities).

On March 3, 2025, the Economic Development Committee of City Council was briefed by memorandum regarding the proposed acquisition.

Staff is recommending approval of an amount not to exceed \$1,829,328 from the Mall Area Redevelopment TIF District Fund, to be leveraged by \$9,480,672 from the 2024 Bond Fund (Park and Recreation Facilities Proposition B), for the proposed acquisition in a total amount not to exceed \$11,310,000. Assembly of property needed for the future central park as envisioned in the City's Valley View-Galleria Area Plan will benefit the Mall Area Redevelopment TIF District and is necessary and convenient to the implementation of the Mall Area Redevelopment TIF District Project Plan and Reinvestment Zone Financing Plan. The acquisition price is based on independent appraisals. There are no relocation expenses associated with this acquisition.

On March 26, 2025, the Facilities and Real Estate Management Department, on behalf of the Park and Recreation Department, will seek City Council authorization to acquire approximately 79,916 square feet (1.83 acres) of commercially improved land located at

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13305 Montfort Drive (see map attached as **Exhibit A**) and assume existing leases from Montfort Valley Shopping Center, LLC - Not to exceed \$11,310,000.00 (\$11,250,000.00 plus closing cost and title expenses not to exceed \$60,000.00).

Background

Subject Property: 13305 Montfort Drive

The subject property will be the second purchase of five parcels needed by the City in order to assemble the approximately twenty-acre central park, now known as International Commons, as envisioned in the City's Valley View-Galleria Area Plan (adopted by City Council in May 2013), PD 887-Valley View Galleria Special Purpose Zoning District (authorized by City Council in June 2013), and the Mall Area Redevelopment TIF District Project Plan and Reinvestment Zone Financing Plan (authorized by City Council in June 2025).

The City's first property acquisition occurred in 2021 (The Prism Center at 5580 Peterson Lane). The subject property located at 13305 Montfort Drive abuts The Prism Center to the east.

As part of each year's annual work program for the Mall Area Redevelopment TIF District, staff has been focusing attention on this property for the past several years, waiting for an opportunity to acquire. In late 2024, the representative of the ownership entity indicated to staff that the entity was ready to consider a voluntary sale to the City, and City staff initiated due diligence activities. On November 27, 2024, staff issued a Letter of Interest to the ownership entity.

The subject property is currently improved with a one-story multi-tenant retail building comprising approximately 25,296 square feet of net rentable area and twelve existing retail tenants. The building was constructed in 1972 with a steel frame brick/stucco veneer exterior and a flat built-up roof over decking and trusses. The subject property has access to all public utilities and is currently zoned RR (Regional Retail zoning district). Leases are triple net (NNN) with tenants paying landlord's pro rata expenses.

As of the date of the appraisals (November 2024), the subject property was approximately 100% occupied by multiple retail tenants with remaining lease terms between one to five years. The current average lease rate for occupied space within the building is approximately \$25.35 per square foot (NNN)—market rental rate is \$24.50 per square

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foot NNN. Current tenant NNN reimbursement is approximately \$7.08 per square foot. The estimated stabilized net operating income for the subject property is approximately \$540,000.00. With the conveyance of the subject property to the City in fee simple, the City will also assume all usual and customary documents that are necessary, appropriate, and convenient to ensuring a smooth transition of ownership, including but not limited to the existing tenant leases, existing property management contract, and any existing service contracts for usual and customary repairs/maintenance.

The City's Park and Recreation Department will retain responsibility for the property, including all operations, maintenance, and repairs. The Park and Recreation Department or its property manager will also be responsible for all tenant relations and marketing efforts. The property will remain under the management and responsibility of the Park and Recreation Department until such time as the structure is demolished or the site is redeveloped for its intended park use. City staff intends to negotiate new lease agreements with tenants under similar existing lease conditions, including rental rates, but with the following provisions: an initial three-year lease term, two optional three-year renewal terms (subject to Park Board authorization and mutual agreement), and a 180-day termination clause without cause by either party. In the medium-to-long term, it is anticipated that the City will demolish the existing structure for the development of park improvements.

Staff is recommending approval of this acquisition with the condition that the property is not officially dedicated as municipal parkland until such time as the property is fully developed for its intended use.

Valley View-Galleria Area (now known as the International District)

Originally in the late-1960s/early 1970s, the Valley View Center mall (and the Galleria mall in the early 1980s) was created with complex configurations of super-blocks, private land ownership, and reciprocal easement agreements that bound multiple owners together. In recent years as market conditions have shifted significantly, these same configurations have heavily burdened the mall area, making redevelopment and revitalization extremely difficult without public participation.

From 2011 to 2013, a public-private partnership was forged among the City of Dallas, the North Dallas Chamber of Commerce, and many other stakeholders in the area, including property and business owners. The partnership resulted in a process to develop an area planning study in 2012-13.

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Adopted in May 2013, the Valley View-Galleria Area Plan (“Area Plan”) resulted in the creation of a unified vision and implementation plan for the redevelopment and economic growth of approximately 440 acres. The Area Plan established a comprehensive vision to guide future private investment, economic development, and public infrastructure investments in a coordinated fashion towards optimal tax base, quality of life, and accessibility.

The adopted illustrative vision for the area is of a mixed-use neighborhood (higher density and pedestrian friendly) that is: (1) anchored by a large central park; (2) supported by vibrant retail uses, office uses, entertainment uses, and mixed housing choices; (3) connected by an integrated network of walkable streets and open spaces, and (4) eventually linked to the Dallas Area Rapid Transit (DART) light rail network.

Two key opportunities identified in the Area Plan are: (1) to break down the super blocks into pedestrian-scale developable parcels in order to provide a more walkable urban fabric, and (2) to provide a community-scale central park with the potential to serve as a regional destination that will also support local residents, workers, and visitors making up for a severe deficiency of open space in the area.

The Area Plan also served as the basis for the City to proactively undertake an area-wide form-based rezoning in June 2013 to PD 887 (Valley View-Galleria Area Special Purpose District), thereby ensuring a sound regulatory framework to encourage economic development consistent with the vision.

In May 2014, City Council authorized the creation of Tax Increment Reinvestment Zone No. 20 (“Mall Area Redevelopment TIF District”). The Project Plan and Reinvestment Zone Financing Plan (“TIF Plan”) for the Montfort-IH 635 Sub-District consists of a program of public infrastructure improvements, economic development grants, and land assembly for a sizeable central public open space under the authority of the TIF Act, which is intended to stimulate private investment and development in the area to occur earlier, to a higher quality, to a greater density, and with more public benefits than would occur solely through private investment in the reasonably foreseeable future, thereby offering employment and quality living for the people of Dallas for years to come.

Specifically, in the TIF Plan, Goal #6 is to increase public open space in the District, and the following specific objective sets the framework for the planned public improvements within the District:

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- Provide funding for the acquisition of land for a central community park to provide open space, recreational opportunities, and cultural amenities to the Montfort-IH 635 Sub-District while also increasing land values and attracting new residential and office development.

The long-term success of the Montfort-IH 635 Sub-District as a dense, walkable, livable, and sustainable place depends on a redevelopment pattern organized around a carefully considered urban form anchored by a large centrally located sub-district-wide public open space. The central open space feature is the critical key to unlocking the real economic development potential of the area and generating higher density urban development while also supporting a high quality of life for sub-district residents, employees, shoppers, and other visitors. Envisioned to serve not only the Montfort-IH 635 Sub-District but also the broader north Dallas community, the central open space feature is to be ultimately 10-20 acres. According to a 2016 study published by HR&A Advisors, Verdunity, and the Trust for Public Land entitled "Economic Value and Benchmarking Study of the Dallas Park System," the central park in the Valley View-Galleria area "has the potential to catalyze a 40:1 return on park investment" for the City of Dallas.

It is acknowledged in the TIF Plan that many desired expenditures associated with the central open space feature are likely beyond the capacity of TIF funding. Nevertheless, TIF funding assistance for land acquisition for the central open space is critical to making projects feasible in the Montfort-IH 635 Sub-District. Without a central public open space, redevelopment potential of the area is substantially limited.

The TIF Plan also notes that, although the central open space will ultimately be owned by the City, it is anticipated that TIF funding assistance will be needed to leverage other sources of needed funding (e.g. the additional open space requirement of PD 887; grants from other governmental entities; City general obligation bonds; a public improvement district; private philanthropic contributions) to help fund expenditures associated with the acquisition, design, construction, maintenance, operations, and programming of the central open space.

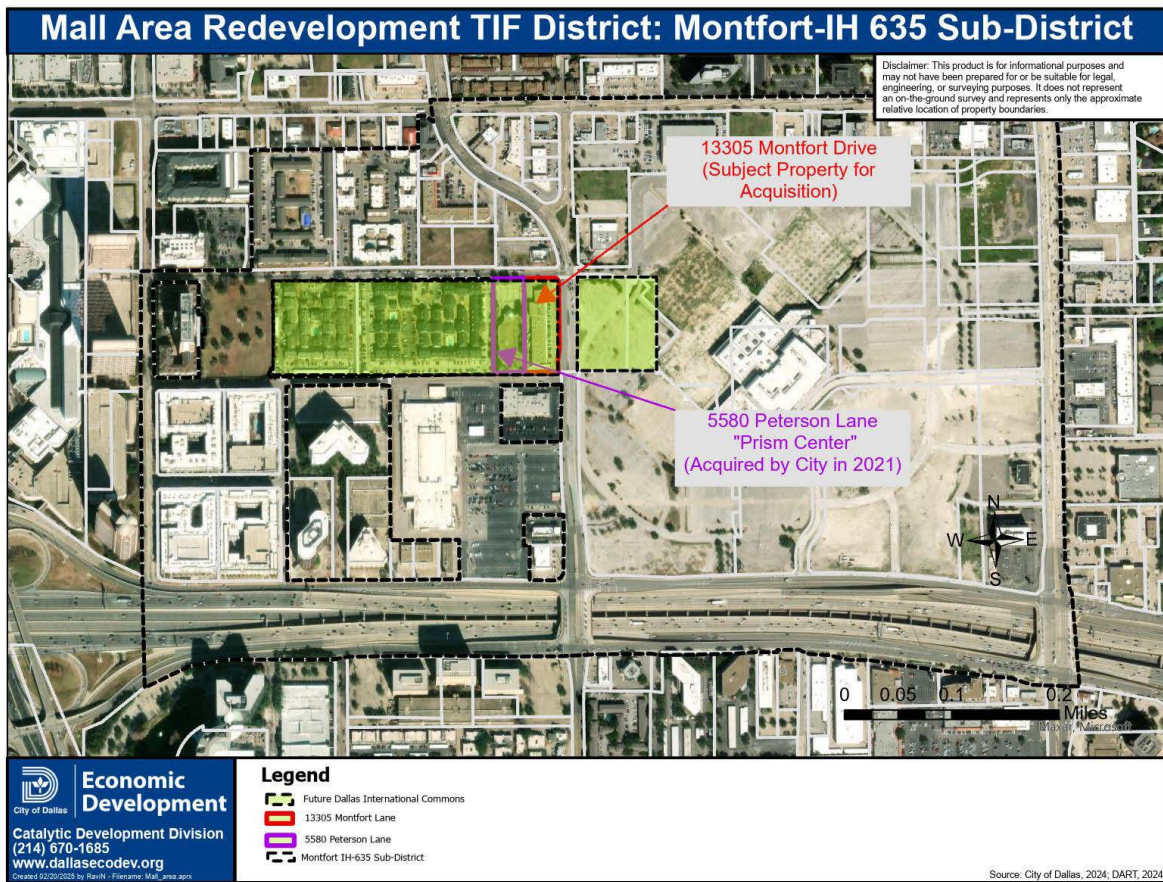
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SUBJECT

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Exhibit A



**Mall Area Redevelopment TIF District
Board of Directors
Proposed Regular Meeting Dates in 2025**

Thursday, May 22, 2025 at 1:30 pm

Thursday, September 11, 2025 at 1:30 pm

Thursday, December 18, 2025 at 1:30 pm