

Exhibit A

**Sports Arena TIF District
FY 2018-2019
Annual Report**



Medialon 2007



City of Dallas

Office of Economic Development
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Dallas, Texas 75201
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October 1, 2018 to September 30, 2019

Amended Reinvestment Zone Number Seven Sports Arena Tax Increment Financing District

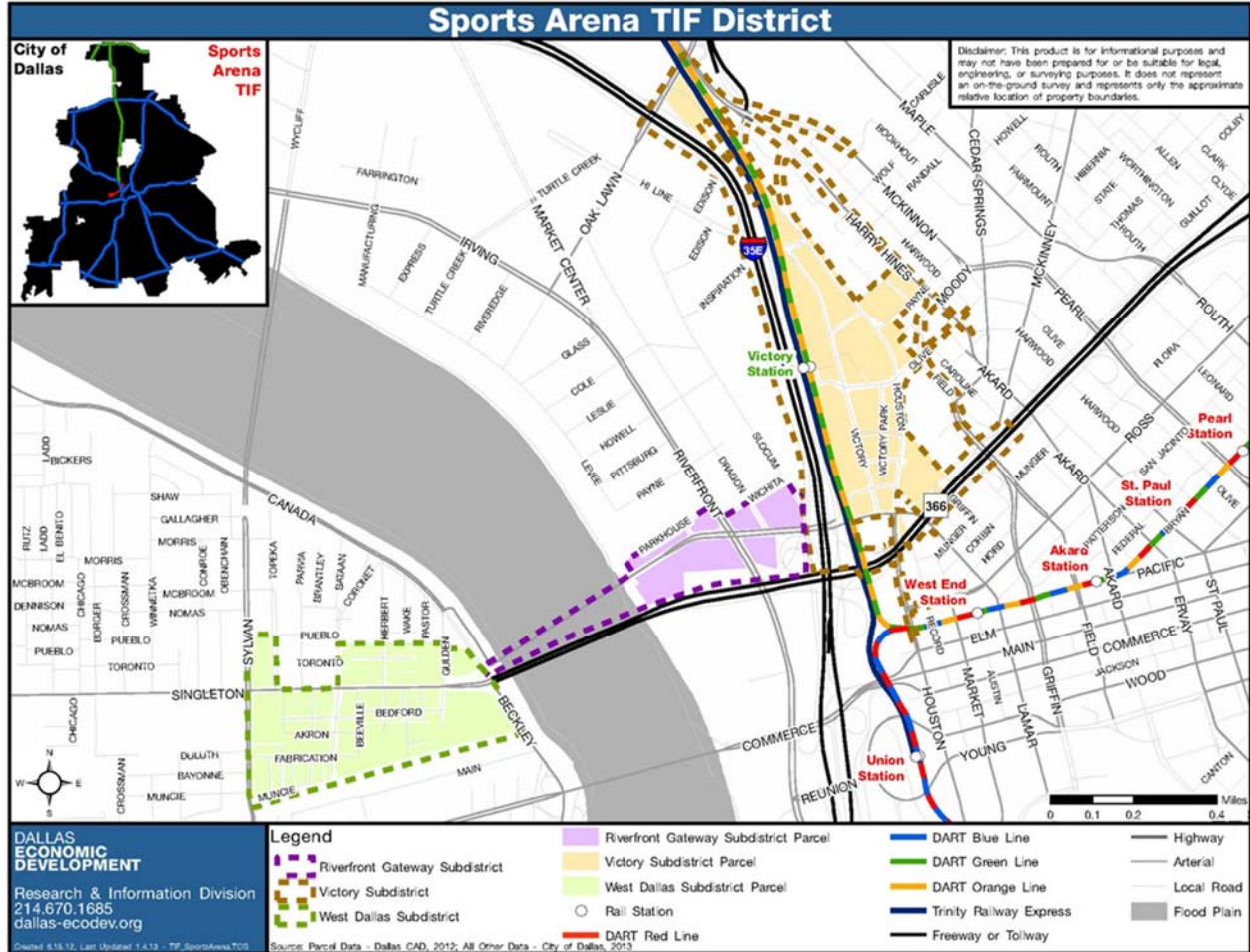


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Mission Statement

The mission of the Sports Arena TIF District (“District” or “Zone”) is to generate tax increment sufficient enough to reimburse costs of roadway improvements and other public improvements in the District that were beneficial to the redevelopment of the area around the American Airlines Center (AAC). The mission of the district was amended in 2012 to provide a means of funding needed improvements to shift AAC event parking from surface parking lots to structured parking within the Victory area, facilitate redevelopment in West Dallas that currently serves as a gateway from the west to the Victory area, improve occupancy rates of retail space in the Victory area and create new retail opportunities in the West Dallas area.

Dallas City Council created the Sports Arena TIF District (Reinvestment Zone Number Seven) by Ordinance No. 23688 on October 28, 1998. The District took effect January 1, 1999 and its original termination date was December 31, 2018, or when all district project costs and any interest on these costs were paid in full. The termination date of the TIF District was extended by 10 years to December 31, 2028 on May 23, 2012, by Ordinance No. 28672. The City of Dallas participation rate in all three sub-districts is 90%. Dallas County’s participation rate in the Victory Sub-district is 45%, while the participation rate for the Riverfront Gateway and West Dallas Sub-districts is 55%.

Since its inception, the Sports Arena TIF has leveraged over \$1.9 billion in new development completed or begun through fiscal year 2019. District development includes 4,658 residential units, 251 hotel rooms, 456,500 square feet of retail space, and 1,421,000 square feet of office space (includes 436,000 square feet of planned office space).

District Accomplishments

During the fiscal year, the following projects in the Victory Sub-district either completed or continued construction.

Projects Completed During FY 2018-2019 – Victory Sub-district

District Retail Project, redevelopment and tenancing of approximately 45,000 square feet of retail space completed during the fiscal year in the Victory Sub-district. The project included the skinning of an existing garage with ground floor retail and restaurant space. The project also included shell construction, tenant finish-out and occupancy of the retail space.



Sports Arena TIF District Projects¹						
Projects Located Within the TIF District Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF²	Approx. Value³	TIF Investment
TIF Infrastructure		2001	Complete	-	-	\$23.9M
South Parking Garage ⁴	2401 Victory Park Ln	2014	Existing	629 Space Parking Garage	\$13,440,250	\$12,825,000
North Parking Garage ⁴ (city-owned)	2503 Victory Ave	2015	Complete	1,200 Space Parking Garage	\$25,763,660	\$33,271,841
Victory Park Lane Improvement Project	Victory Park Ln	2016	Complete	-	-	\$1,226,500
Olive Street Improvement Project	Olive St	2016	Complete	-	-	\$825,100
Two-Way Conversion (Houston St & Victory Ave)	Houston St & Victory Ave	2016	Complete	-	-	\$3,718,000
Trinity Groves – Restaurant Incubator	3011 Gulden Ln	2016	Complete	106,000 sf retail/restaurant space	\$5,480,560	\$3,505,000
Placemaking Project	Olive St., Victory Ave, Houston St, Victory Park Ln	2017	Complete	-	-	\$5,974,804
Cypress at Trinity Groves	320 Singleton Blvd	2018	Complete	352 Apts. 34,200 sf retail	\$48,196,690	\$13,950,000
District Wide Retail Project	Victory Park Lane	2019	Complete	45,000 sf retail	\$17,796,062	\$3,500,000
Projects Located Within the TIF District Not Utilizing TIF Funding						
American Airlines Center ⁴	2500 Victory Ave	2001	Complete	840,000 sf entertainment space	\$284,763,660	\$0
Center Operating Company	2427 N. Houston St	2001	Complete	parking garage	\$3,816,450	\$0
Platinum Parking Garage	1620 Lyte St.	2001	Complete	2,000 space parking garage	\$46,814,820	\$0
W Dallas Victory Hotel & Residences	2408, 2430 & 2440 Victory Park Ln.	2006	Complete	145 condos 251 hotel rooms 42,500 sf retail	\$163,612,620	\$0
The Terrace	2323 N. Houston St	2006	Complete	97 condos 24,000 sf retail	\$34,144,150	\$0
The Vista	2345 N. Houston St	2007	Complete	127 apts 28,000 sf retail	\$30,800,000	\$0
Victory Plaza Buildings	3030 & 3090 Olive St	2007	Complete	65,000 retail 155,000 sf office	\$50,365,870	\$0
Cirque	2500 N Houston St	2008	Complete	252 apts 11,000 sf retail	\$63,500,000	\$0
One Victory Park	2323 Victory Ave	2008	Complete	9,000 sf retail 430,000 sf office	\$158,201,540	\$0
The House by Starck & Yoo	2200 Victory Ave	2009	Complete	150 condos 30,000 sf retail	\$98,710,760	\$0
Arpeggio Victory Park	2425 Victory Ave	2014	Complete	378 apts	\$68,000,000	\$0
Moda	1855 Payne St	2014	Complete	263 apts 3,500 sf retail	\$46,002,750	\$0

SkyHouse Dallas	2320 N. Houston St	2015	Complete	336 Apts. 5,000 sf retail	\$74,500,000	\$0
Camden Victory Park	2823 N. Houston St.	2016	Complete	425 Apts.	\$84,000,000	\$0
The Ascent	2588 N. Houston St.	2017	Complete	302 Apts. 3,000 sf retail	\$95,575,000	\$0
Victory Place	1701 Payne St.	2017	Complete	352 Apts. 3,000 sf retail	\$84,000,000	\$0
The Katy	1400 Alamo St. 3111 N. Houston St.	2018	Complete	461 Apts. 2,000 sf retail	\$110,232,500	\$0
The 23 Dallas	2100 Victory Ave	2018	Complete	285 Apts. 23,000 sf retail 44,000 sf cinema	\$92,798,060	\$0
Trinity Groves Residential II	411 Broadway Ave	2019	Under Construction	309 Apts. 12,300 sf retail	\$29,688,110	\$0
The Victor	3099 Olive St.	2020	Under Construction	334 Apts. 10,000 sf retail	\$50,000,000	\$0
Victory Commons	2601 Victory Ave	2021	Under Construction	400,000 sf office	\$65,000,000	\$0
Hines Office Bldg	2371 Victory Ave	2020	Announced	436,000 sf office	\$70,000,000	\$0
				Total 4,568 res. units 251 hotel rooms 456,500 sf retail 1,421,000 sf office 884,000 sf entertainment 3,625 spaces parking garage	\$1,915,230,512	\$102,696,245

¹ All information updated as of September 30, 2019.

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

³ Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction or announced.

⁴ Tax exempt property.

Projects Adjacent to TIF¹

Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment
Perot Museum of Nature and Science ⁴	2201 N. Field St.	2012	Complete	180,000 sf	\$137,294,800	\$0
The Alexan Skyline Apartments	3333 Harry Hines Blvd	2016	Complete	365 apts 6,410 sf retail	\$63,068,120	\$0
CVS	2501 N. Field St.	2016	Complete	10,000 sf retail	\$5,000,000	\$0
				Total 365 apts; 196,410 sf retail	\$205,362,920	\$0

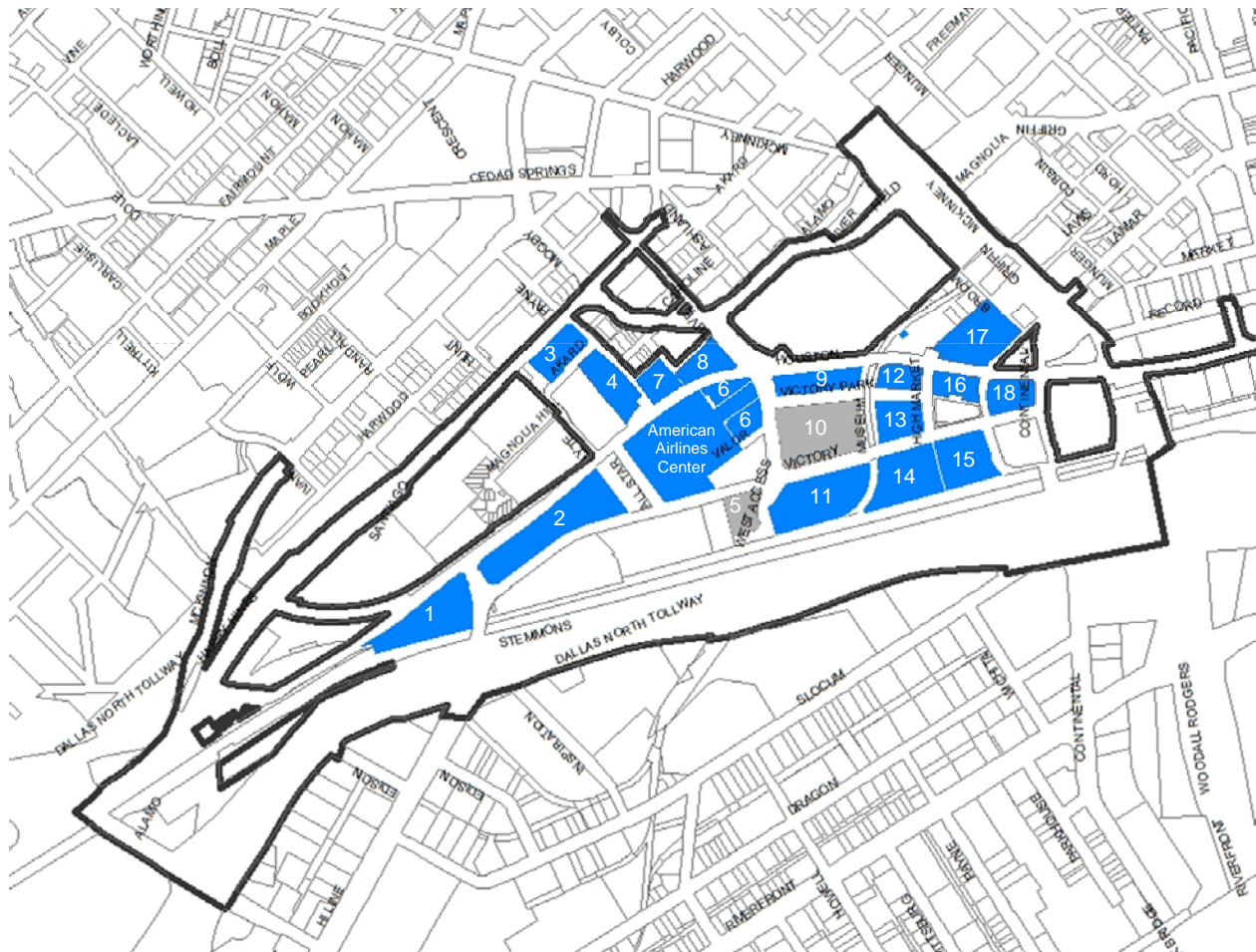
¹ All information updated as of September 30, 2019.

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

³ Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction or announced.

District Initiatives				
Activity	Scope	Status	Investment	Source
Orange Roadways	Improvements to Houston St, McKinney Ave., Ross Ave., Continental Ave., Lamar Street and Wichita St.	Complete	\$20,988,088	TIF Funding
Woodall Rodgers Plaza	Improvements to Woodall Rodgers Plaza between McKinney Ave., Continental Ave., and Houston Street	Complete	\$2,000,000	TIF Funding
District Wide Technical Studies	Parking, traffic, vehicular and pedestrian circulation, place making and retail design for Victory Sub-district	Complete	\$700,000	TIF Funding
Central Core Connector Project (Dallas Bikeway System)	Bikeway program implemented through the use of shared lanes on roadways going through the American Airlines Center/Victory area, the West End, Downtown, and Deep Ellum.	Phase I Complete	\$90,452 Total (Downtown Dallas Inc. - \$41,000; City of Dallas Streets Department - \$12,188; TIF Funding - \$37,264 – divided by four TIF districts)	TIF Funding (Deep Ellum, City Center, Downtown Connection and Sports Arena TIF Districts) & Dallas Downtown, Inc.
Other Initiatives				
Victory Sustainable Development Project	Victory Park Lane, DART Street, Laws Street, and related public improvements, including lighting improvements to the Katy Trail.	Roadway construction completed November 2007. Katy Trail lighting completed August 2009	\$8,505,000	Sustainable Development Funds and developer match
Trinity Strand/Katy Trail Connection	Trail connecting the Katy Trail over Goat Hill, through Stemmons Park, to the base of the Trinity Strand Trail at Oak Lawn Avenue	Under Construction	\$310,620	2006 Bonds for engineering
			Total budget: \$8.5 million	Remainder to be raised

Development Location Map – Victory Sub-district



Legend – Victory Sub-district Projects

- | | |
|-----------------------------------|--------------------------------------|
| 1. Katy Station | 10. South Parking Garage/Renovations |
| 2. Camden Victory Park | 11. Arpeggio |
| 3. Moda | 12. The Vista |
| 4. Victory Place | 13. The 23 Dallas |
| 5. North parking Garage | 14. Proposed Hines Office Building |
| 6. Victory Plaza Buildings | 15. One Victory Park |
| 7. The Ascent | 16. The Terrace |
| 8. Cirque | 17. SkyHouse Dallas |
| 9. W Victory Hotel and Residences | |

For project information, refer to charts on Pages 6 and 7.

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. In 2012, the district's project plan was amended to add the requirement of mixed income housing for residential projects receiving TIF funding. Accordingly, twenty percent (20%) of all housing units in projects using direct, site-specific TIF funding assistance from the District are subject to the City's and County's established criteria for mixed income housing. Since 2012, only one residential project in the District received TIF funding, Cypress at Trinity Groves. Of the 352 residential units constructed, 70 units (20%) have been set-aside as affordable.

Value and Increment Revenue Summary

The base value of the Zone is the total appraised value of all taxable real property in the District, as determined by the Dallas Central Appraisal District's certified property tax roll for the base year. The base value is established the year a property is placed within TIF boundaries.

The Sports Arena TIF District's original assessed 1998 base tax value was \$16,423,773. The district's financing plan was amended in 2012 to create three sub-districts: Victory, Riverfront Gateway, and West Dallas. As a result, each sub-district has its own base year value.

Victory Sub-district – In 2012, the Victory sub-district's amended base value was \$33,515,323. The sub-district's appraised value in 2019 was \$1,317,808,790, an increase of \$63,700,831 (5%) from 2018's sub-district value (\$1,253,394,959). This increase will result in an estimated collection of approximately \$9,968,620 (City – \$8,971,457; County – \$997,163) in incremental revenue.

Riverfront Gateway Sub-district – In 2012, the Riverfront Gateway sub-district's base value was \$18,624,970. The sub-district's appraised value in 2019 was \$32,789,960, an increase of \$1,120,750 (35%) from 2018's sub-district value (\$31,669,230). This increase will result in an estimated collection of approximately \$117,944 (City \$99,005; County – \$18,939) in incremental revenue.

West Dallas Sub-district – In 2012, the West Dallas sub-district's base value was \$11,598,966. The sub-district's appraised value in 2019 was \$130,692,933, an increase of \$49,159,483 (60.2%) from 2018's sub-district value (\$81,533,450). This increase will result in an estimated collection of approximately \$991,704 (City - \$832,458; County - \$159,246) in incremental revenue.

The Zone's (all sub-districts) total value in 2019 was \$1,480,578,703, an increase of \$113,981,064 (8.3%) from 2018's total district value (\$1,366,597,639). This increase in total district value will result in an estimated collection of approximately \$11,078,268 in total incremental revenue for the Sports Arena TIF District in June 2020.

Objectives, Programs, and Success Indicators

The original Sports Arena TIF District Project and Reinvestment Zone Financing Plan was adopted August 25, 1999. In 2012, the District's Project and Reinvestment Zone Financing Plan was amended, and the goals and objectives were revised to include additional public improvements as well as private development.

Specific actions addressing these objectives follow in italics:

- Attract 250,000 square feet of additional retail space.

Approximately 456,500 square feet of retail space (includes restaurant and theater space) completed, continued or began construction within the Zone since 1998 (182.6% of the total goal).

- Attract 3,000 additional residential units including town home, multifamily and condominium units.

One residential project in the West Dallas Sub-district of the Zone completed construction during the 2019 fiscal year (the Cypress @ Trinity Groves Phase II), adding 309 apartments. The Victor is currently under construction and upon completion, the residential project will add 334 units to the Victory sub-district.

In total 4,568 residential units have completed construction or are currently under construction (152% of the total goal) since 1998.

- Increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the Sports Arena TIF District, especially the Trinity River, Trinity Strand Trail, Katy Trail and proposed Continental Pedestrian Bridge.

Continental Avenue Bridge Project – The Bridge was permanently closed to vehicular traffic on July 8, 2013. The construction cost for the Continental Avenue Bridge and West Dallas Gateway project was funded by private donations and bond funds. The bridge reopened for pedestrians only in 2015, providing a new outdoor destination with recreational amenities, parking at the West Dallas Gateway and non-motorized vehicular access across the Trinity River.

Katy Trail Extension – As part of the two-way conversion of Houston Street a dedicated bicycle track on both sides of Houston Street was constructed, connecting to the current terminus of the KATY Trail and extending it throughout the Victory sub-district improving bicycle circulation.

- Increase the utilization of structured parking to provide public and American Airlines Center (AAC) event parking.

Construction of the North Parking Garage providing AAC event parking completed in 2015. 425 spaces in the South Parking Garage provide additional AAC

structured parking. These two facilities enabled the redevelopment of approximately 12.3 ± acres previously used for surface parking.

- Improve access and connectivity between the Victory, Riverfront Gateway Sub-district and West Dallas Sub-districts.

Improvements to the bike trail and pedestrian network, Continental Bridge improvements and ongoing work at Trinity Groves is intended to improve connectivity within the Sports Arena TIF District.

Year-End Summary of Meetings and Council Items

The Sports Arena TIF District Board of Directors met once during FY 2019, January 17, 2019.

The Sports Arena TIF District Board of Directors consists of nine (9) members, including six (6) City of Dallas appointees, one (1) Dallas Independent School District (DISD) appointee, one (1) Dallas County appointee and one (1) Dallas County Hospital District (DCHD) appointee. During FY 2019, the Sports Arena TIF Board consisted of the following members:

Noel Aveton – City Appointee (Attended 1 of 1 meeting)
Alexander Dickey – City Appointee (Attended 0 of 1 meeting)
T. C. Fleming – City Appointee (Attended 1 of 1 meeting)
Maria Lozada Garcia – City Appointee (Attended 1 of 1 meeting)
Jessica Lynn Sepulveda – City Appointee (Attended 0 of 1 meeting)
Orlando Alameda – DISD Appointee (Attended 0 of 1 meeting)
Rick Loessberg – Dallas County Appointee (Attended 1 of 1 meeting)
Joe Mayer – DCHD Appointee (Attended 1 of 1 meeting)

During FY 2019, the City Council approved three (3) items directly or indirectly associated with the Sports Arena TIF District. The council actions are listed below.

- On December 12, 2018, City Council approved Resolution No. 18-1763, authorizing a service agreement with Union Pacific Railroad Company to review and approved the engineer design plan for the three proposed grade-separated crossing under the railroad track of Union Pacific Railroad for Herbert, Bataan, and Amonette Streets in the area between Singleton Boulevard and Commerce Street from Sylvan Avenue to Beckley Avenue – Not to exceed \$600,000.00.
- On February 27, 2019, City Council approved Resolution No. 19-0365, accepting the FY 2017-2018 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Seven, (Sports Arena TIF District), submitted by the Sports Arena TIF District's Board of Directors, and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction

that levies taxes on real property in the District, and to the State Comptroller, as required by state law.

- On September 25, 2019, City Council conducted a public hearing to receive comments regarding a proposal to consider a request to change Olive Street, between North Field Street and Victory Avenue to “Nowitzki Way” and approved Ordinance 31341 and Resolution No. 19-1549 granting the requested name change.

Budget and Spending Status

Sports Arena TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	Budget	Total Committed or Spent	Total Remaining
Original Improvements			
Total Original Improvements	\$38,588,359	\$38,389,665	\$198,694
Victory Sub-district Amended Budget			
West Dallas Set-Aside	\$12,109,071	\$3,525,104	\$8,583,967
Tier One Improvements	\$47,679,815	\$47,679,815	\$0
North Parking Garage			
South Parking Garage			
Economic Development TIF Grants			
Tier Two Improvements	\$64,209,996.83	\$17,603,582	\$46,606,415
Additional North Parking Garage			
Additional South Parking Garage			
Other District Improvements:			
Open Space/Connectivity, Special Studies			
Infrastructure Improvements and Retail			
Total Victory Sub-District¹	\$162,587,242	\$107,198,166	\$55,389,076
Category	Total Budget	Total Committed or Spent	Total Remaining
West Dallas Sub-district			
Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition			
Total West Dallas Sub-District	\$91,167,591	\$17,455,000	\$73,712,591
Riverfront Gateway Sub-district			
Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail			
Total Riverfront Gateway Sub-district	\$10,051,155	\$0	\$10,051,155
Administration and Implementation²	\$2,000,000	\$918,940	\$1,081,061
Total Amended Budget	\$304,394,347	\$163,961,770	\$140,432,577
Original Sports Arena TIF District Budget	\$46,961,785		

¹ Victory Sub-district's Total Budget includes original improvements and amended budgets.

²Total Committed or Spent Administration and Implementation total does not include FY 2019 costs.

* Revenues shown above are estimated current dollars to be collected over the life of the TIF, as of September 30, 2019.

Sports Arena TIF District Project Plan Budget	
Category	TIF Budget*
Original Improvements**	\$23,498,088
Victory Sub-district Amended Budget	
Tier One Improvements North Parking Garage South Parking Garage Economic Development TIF Grants Total Tier One Improvements	\$13,547,539
Tier Two Improvements Additional North Parking Garage Additional South Parking Garage Other District Improvements: Open Space/Connectivity, Special Studies Infrastructure Improvements and Retail Total Tier Two Improvements	\$22,301,524
Total Victory Sub-District	\$35,849,063
Category	TIF Budget*
West Dallas Sub-district Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition Total West Dallas Sub-District	\$31,120,420
Riverfront Gateway Sub-district Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail Total Riverfront Gateway Sub-district	\$3,595,888
Administration and Implementation	\$345,546
Total Amended Budget	\$94,409,005
Original Sports Arena TIF District Budget	\$25,498,568

* All values in Victory Sub-district were discounted to NPV 1999 dollars.

* All values in Riverfront Gateway and West Dallas Sub-districts are in NPV 2013 dollars.

M/WBE Participation

Although public bidding is not required for TIF projects, all TIF-funded projects must follow the City's adopted Business Inclusion and Development Plan (BID) and make a good faith effort to include certified Minority and Women-Owned Business (M/WBE) participation in TIF reimbursed projects. The BID Plan goal for TIF projects is 25 percent (25%) M/WBE participation in construction costs of TIF awarded subsidy.

Sports Arena TIF Project M/WBE Participation <small>(completed projects only)</small>					
Project	Total Construction Contract Amount	Local M/WBE Amount	Non-Local M/WBE Amount	Total M/WBE Participation	Total M/WBE Participation Percentage
North Parking Garage*	\$21,756,462	\$2,329,577	\$64,522	\$2,394,099	11%
Olive Street Improvement Project	\$698,649	\$156,275	\$32,500	\$188,775	27%
Victory Park Lane Improvement Project	\$1,892,078	\$741,046	\$34,344	\$775,390	41%
Two Way Conversion Project - Phase I	\$2,881,557	\$795,170	\$0	\$795,170	28%
Two Way Conversion Project - Phase II	\$1,088,763	\$0	\$821,790	\$821,790	75%
Trinity Groves Restaurant Incubator Project	\$3,483,496	\$1,413,288	\$224	\$1,413,512	41%
Placemaking Project - Phase I	\$1,750,586	\$713,499	\$6,285	\$719,784	41%
Placemaking Project - Phase II	\$1,473,872	\$0	\$1,222,849	\$1,222,849	83%
Cypress at Trinity Groves	\$43,795,169	\$5,455,084	\$5,507,075	\$10,962,159	25%
Totals	\$78,820,632	\$11,603,939	\$7,689,588	\$19,293,528	24%

FY 2020 Work Program

The FY 2020 Work Program for the Sports Arena TIF District is as follows:

- Adoption of the Sports Arena TIF District FY 2018-2019 Annual Report
- Promote projects in the Riverfront Gateway Sub-District and assess boundary expansion opportunities
- Continue annual reimbursement of completed projects in Victory and West Dallas Sub-districts
- Complete audit of TIF projects completed during FY 2018-2019 and begin reimbursement in June of 2020

Appendix A: District Financials

City of Dallas, Texas
Sports Arena Area Tax Increment Financing District Fund
Balance Sheet as of September 30, 2019 (Unaudited)
With Comparative Totals for September 30, 2018, 2017, 2016, and 2015 (Audited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assets:					
Pooled cash and cash equivalents	\$3,905,639	\$6,442,097	\$4,857,193	\$2,928,249	\$2,601,939
Accrued parking revenue receivable	\$43,338	\$81,690	\$0	\$17,672	\$0
Interest receivable	\$6,926	\$14,666	\$11,939	\$4,073	\$12,027
Total assets	\$3,955,903	\$6,538,452	\$4,869,132	\$2,949,994	\$2,613,966
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$855,000	\$2,729,726	\$4,165,587	\$0	\$11,852
Advances from developers	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$51,515	\$0	\$26,583	\$26,583	\$26,583
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	\$906,515	\$2,729,726	\$4,192,170	\$26,583	\$38,435
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$3,049,387	\$3,808,726	\$676,963	\$2,923,411	\$2,575,531
Total Liabilities and Fund Equity	\$3,955,903	\$6,538,452	\$4,869,132	\$2,949,994	\$2,613,966
	\$0	\$0	\$0	(\$0)	(\$0)

Sports Arena Area Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2019 (Unaudited)
With Comparative Totals for September 30, 2018, 2017, 2016, and 2015 (Audited)

	<u>ITD</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Tax increment-Governmental	\$57,572,353	\$9,073,708	\$7,611,578	\$5,733,584	\$4,591,316	\$3,643,978
Tax increment-Intergovernmental	\$21,960,235	\$1,017,420	\$781,647	\$484,211	\$293,993	\$126,844
Parking Revenue	\$1,041,812	\$371,064	\$289,914	\$153,242	\$141,451	\$86,142
Interest income	\$1,391,058	\$99,529	\$47,634	\$54,398	\$30,473	\$19,979
Developer Participation	\$1,189,939	\$0	\$0	\$0	\$0	\$20,000
Net increase (decrease) in fair value of investments	\$74,992	\$35,995	(\$17,399)	(\$12,285)	(\$1,290)	\$5,977
Total revenues	\$83,230,390	\$10,597,716	\$8,713,375	\$6,413,150	\$5,055,942	\$3,902,920
Expenditures:						
Administrative expenses	\$918,937	\$51,515	\$0	\$101,376	\$102,075	\$91,586
Non-Capital outlay	\$16,070,773	\$3,251,013	\$2,921,649	\$4,177,929	\$1,787,851	\$878,053
Capital outlay	\$44,679,388	\$7,060,082	\$1,911,064	\$3,579,224	\$2,108,057	\$3,382,982
Interest and fiscal charges	\$20,564,781	\$694,444	\$748,899	\$801,069	\$710,078	\$106,032
Total expenditures	\$82,233,879	\$11,057,055	\$5,581,611	\$8,659,599	\$4,708,061	\$4,458,653
Excess (Deficiency) of Revenues over Expenditures	\$996,511	(\$459,339)	\$3,131,764	(\$2,246,449)	\$347,881	(\$555,733)
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$3,808,726	\$676,963	\$2,923,411	\$2,575,531	\$3,131,264
Prior period restatement	\$2,352,877	\$0	\$0	\$0	\$0	\$0
Interfund Transfer	(\$300,000)	(\$300,000)	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year, as restated	\$2,052,877	\$3,508,726	\$676,963	\$2,923,411	\$2,575,531	\$3,131,264
Fund balance (deficit) at end of year	\$3,049,387	\$3,049,387	\$3,808,726	\$676,963	\$2,923,411	\$2,575,531

Note: Fiscal year 2018-19 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.

Interfund Transfer: Annual transfer of funds in the amount of \$100,000 (fiscal year 2017 thru Fiscal Year 2019) from the South Parking Garage revenues to North Parking Garage Fund for major capital expense maintenance costs.

Financial Status of the Zone

City of Dallas, Texas

Sports Arena Tax Increment Financing District

Reinvestment Zone Number Seven

As of September 30, 2019

Section 311.016 of the Tax Increment Financing Act 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:

\$135,524	Interest Income
\$371,064	Parking Revenue
\$10,091,128	Ad Valorem Taxes (Collected in FY'2018-19 based on 2018 Final Tax Roll)
\$0	Developer Participation
\$10,597,716	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$51,515	Administrative Expense (fiscal year 2018 due to general fund) ¹
\$3,250,147	Non-Capital Outlay ²
\$866	Non-Capital - PNV Admin. cost reimbursement ²
\$7,060,082	Capital Outlay ²
\$694,444	Additional Subsidy in Form of Grant (in lieu of interest expense) - non capital outlay ²
\$11,057,055	Total Expenditures

¹Actual FY 2018-2019 (in Process) administration costs will be reflected in the FY 2019-2020 Financial Statements.

²These expenditures were for the following projects:

	<u>Total</u>	<u>Capital</u>	<u>Non-Capital</u>
North Parking Garage Improvements-Principal & Interest	\$1,993,035	\$0	\$1,993,035
Planning and Urban Development FY 19 admin. cost	\$866	\$0	\$866
South Parking Garage Grant	\$855,000	\$0	\$855,000
Trinity Groves Restaurant/Retail Project- Grant	\$896,556	\$0	\$896,556
Trinity Groves Mixed Use Project - Phase I	\$493,774	\$493,774	\$0
Placemaking Project - Phase I & Phase II	\$5,535,808	\$5,535,808	\$0
Parking Signage-Phase II Project	\$1,030,500	\$1,030,500	\$0
North Parking Garage Fund - Major capital expense Maint. Cost*	\$200,000	\$0	\$200,000
Total	\$11,005,539	\$7,060,082	\$3,945,457

*Per the Agreement, a one time transfer of \$200,000 was transferred from Sports Arena TIF Fund to Sports Arena TIF North Parking Garage Fund for the major capital expense maintenance costs. In addition, annual transfer of \$100,000 from the fiscal year year 2017 thru fiscal year 2019 in the total amount of \$300,000 was made in the fiscal year 2019 from the Sports Arena TIF Fund to Sports Arena TIF North Parking Garage TIF Fund for the major capital expense maintenance costs.

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

Sports Arena TIF District has incurred no bonded indebtedness as of September 30, 2019.

b. The Zone has reimbursed the following contingent obligations from available TIF funds, as of September 30, 2019

<u>Developer</u>	<u>Project</u>	<u>Advance</u>	<u>Accrued</u>	<u>Total</u>
		<u>Principal</u>	<u>Add'l Subsidy*</u>	<u>Outstanding</u>
Center Operating Company	Houston Street Extension	\$21,241,017	\$13,451,642	\$34,692,660
Center Operating Company	Woodall Rodgers Plaza	\$2,000,000	\$1,701,821	\$3,701,821
Total		\$23,241,017	\$15,153,464	\$38,394,481
Less: Payments		\$23,241,017	\$15,153,463	\$38,394,480
Net Balance Outstanding		\$0	\$0	\$0

*Additional Subsidy in Form of Grant (in lieu of interest expense)

c. The Zone has reimbursed the following operator from available TIF funds as of September 30, 2019:

<u>American Airlines Center's Parking</u>	<u>Garage Operator</u>	<u>Type of Agreement</u>	<u>Principal</u>	<u>Add'l Subsidy*</u>	<u>Payments</u>	<u>Outstanding</u>
	Center Operating Company	Parking Mgt & Operating Agmt	\$1,521,114	\$0	\$1,521,114	\$0

d. The Zone has entered into a development agreement for each of the following projects and payment status as of September 30, 2019:

Developer	Project Name	Principal TIF Award	Max. Accrued Add'l Subsidy (1)	Total TIF Award	Less Payments			Net Remaining Balance
					Principal	Accrued Add'l Subsidy*	Total	
Anland GP, LP	North Parking Garage	\$21,800,000	\$6,430,193	\$28,230,193	\$7,232,355	\$3,060,523	\$10,292,877	\$17,937,316
Victory Park UST Joint Venture I, L.P.	South Parking Garage	\$12,825,000	\$0	\$12,825,000	\$5,130,000	\$0	\$5,130,000	\$7,695,000
Anland GP, LP	North Parking Garage Enhancements	\$3,600,000	\$0	\$3,600,000	\$3,600,000	\$0	\$3,600,000	\$0
Victory Park UST Joint Venture I, L.P.	Victory Park Lane Improvement Project	\$1,226,500	\$0	\$1,226,500	\$1,226,500	\$0	\$1,226,500	\$0
Victory Park UST Joint Venture I, L.P.	Olive Street Improvement Project	\$825,100	\$0	\$825,100	\$825,100	\$0	\$825,100	\$0
Victory Park UST Joint Venture I, L.P.	Two Way Conversion & parking signage Project	\$4,646,152	\$0	\$4,646,152	\$4,646,152	\$0	\$4,646,152	\$0
Trinity Groves, LLC	Trinity Groves-Restaurant/Retail Project	\$3,505,000	\$0	\$3,505,000	\$3,439,567	\$0	\$3,439,567	\$65,433
Victory Park UST Joint Venture I, L.P.	Placemaking Project Phase I & II	\$5,535,808	\$0	\$5,535,808	\$5,535,808	\$0	\$5,535,808	\$0
Trinity Groves Residential I, L.P.	Trinity Groves Mixed Use Phase I	\$12,478,853	\$0	\$12,478,853	\$916,975	\$0	\$916,975	\$11,561,878
Total		\$66,442,413	\$6,430,193	\$72,872,606	\$32,552,457	\$3,060,523	\$35,612,979	\$37,259,626

*Additional Subsidy in Form of Grant (in lieu of interest expense)

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

	<u>Taxable</u>	<u>Base Year</u>	<u>Est. Captured</u>
	<u>Value 2019</u>	<u>1998 Value</u>	<u>Value 2019*</u>
City of Dallas-Victory Sub-District	\$1,317,095,790	\$33,515,323	\$1,283,580,467
City of Dallas-Riverfront Sub-District	\$32,789,980	\$18,624,970	\$14,165,010
City of Dallas-West Dallas Sub-District	\$130,692,933	\$11,590,076	\$119,102,857
Dallas County-Victory Sub-District	\$1,317,095,790	\$405,570,974	\$911,524,816
Dallas County-Riverfront Sub-District	\$32,789,980	\$18,624,970	\$14,165,010
Dallas County-West Dallas Sub-District	\$130,692,933	\$11,590,076	\$119,102,857

*Based on DCAD Certified Taxable Value. The final values will be determined on February 1, 2020.

5. Captured appraised value by the municipality and other taxing units, the total amount of 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:

	Assessment	Estimated 2019
Taxing Jurisdiction	Per \$100	Increment
City of Dallas-Victory Sub-District	0.69894	\$8,971,457
City of Dallas-Riverfront Sub-District	0.69894	\$99,005
City of Dallas-West Dallas Sub-District	0.69894	\$832,458
Dallas County-Victory Sub-District	0.10940	\$997,163
Dallas County-Riverfront Sub-District	0.13371	\$18,939
Dallas County-West Dallas Sub-District	0.13371	\$159,246
Total for all jurisdictions	\$2.47363	\$11,078,268

b. The total amount of estimated tax increment to be billed for the 2019 tax year is \$11,084,032. For the 2018 tax year, increment in the amount of \$10,091,128 was received.

City of Dallas, Texas
Sports Arena Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2019
(Unaudited)

1. The measurement focus used for the TIF 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 \$765,000 (in Current \$) over the life of the TIF to reimburse the City for administrative costs. The City began reimbursing the general fund for administrative costs in FY'1998-99. 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 \$51,515 at September 30, 2019 represents the TIF administration costs for the fiscal year 2018 that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF funds.
6. Actual FY 2018-2019 (in Process) administration costs will be reflected in the FY 2019-2020 Financial Statements.
7. The Zone fully reimbursed the developer for a total amount of \$38,308,587 to date, including principal of \$23,159,074 and accrued interest of \$15,149,513, and had no advances outstanding at September 30, 2019.
8. All expenditures resulting in capital improvements that are owned by the City are capitalized on the City's books.

Appendix B: Project Pay-Off Estimates

Developer	Project Name	Max. TIF Award	Pay-Off Date
Victory Sub-district			
Anland GP, LP	North Parking Garage	\$21,800,000	2028
Victory Park UST Joint Venture I, L.P. Blocks GKM, L.P.	South Parking Garage	\$12,825,000	2028
Victory Park UST Joint Venture I, L.P.	Sub-district Wide Retail	\$3,500,000	2022
West Dallas Sub-district			
Trinity Groves, LLC	Trinity Groves-Restaurant Incubator	\$3,505,000	2020
Trinity Groves Residential I, L.P.	Cypress @ Trinity Groves	\$13,950,000	2024

Estimated pay-off dates may change and are subject to the following

- (1) Changes in increment collected annually;
- (2) Changes in the real property tax rates of participating taxing jurisdictions (City of Dallas and Dallas County);
- (3) Changes in the participation rate of participating taxing jurisdictions;
- (4) Completion dates of projects listed in the district's reimbursement queue; and/or
- (5) Changes in development activity within the District

Appendix C: Sub-district Set-Aside Funds

The District's Project and Financing Plans created a West Dallas set-aside within the Victory Sub-district. Additionally, the adopted Increment Allocation Policy for the District gave the TIF Board the discretion to set aside increment for "sub-district wide improvements" such as gateways, trails, open space, public facilities, workforce training or utility/streetscape improvements benefiting multiple properties or blocks within in the sub-districts.

Victory Sub-district Set-Asides

West Dallas Set-Aside - Ten percent (10%) of the total collected City and County increment revenue (after administrative expenses) for the Victory Sub-district shall be allocated to the West Dallas Sub-district.

Victory Sub-district Wide Improvements Set-Aside – From 2014 annual sub-district increment, after payment of completed Tier One projects, \$500,000, shall be set-aside for eligible sub-district wide improvements. Eligible improvements are limited to future design and construction of public improvements that may be required as a result of the implementation of the following Tier Two infrastructure improvement projects: Olive Street Reconfiguration and Two-Way Conversion of Houston Street and Victory Avenue.

Riverfront Gateway Sub-district Set-Aside

Riverfront Gateway Sub-district Wide Improvements Set-Aside – Ten percent (10%) of the increment generated from the Riverfront Gateway Sub-District, up to \$955,000, shall be set aside for eligible improvements. Eligible improvements shall specifically include streetscape, open space and trail improvements that benefit multiple properties within the Riverfront Gateway Sub-district whether constructed as part of a single development project or independent of a development project. These funds may also be used as a match for potential grant funding for eligible improvements.

West Dallas Sub-district Set-Asides

Zoning Sub-district Wide Improvements Set-Aside – Five percent (5%) of the increment generated from the West Dallas Sub-District, up to \$3,000,000, shall be set aside for Planned Development District (PD) 891 zoning required improvements (Zoning Sub-district Wide Improvements). Zoning Sub-District Wide Improvements shall specifically include PD 891 Open Space Improvements, whether constructed incrementally or in conjunction with specific private development projects or constructed independent of a specific private development project. PD 891 improvements specifically include: Muncie Street Linear Park, Herbert Plaza and the Akron Park Greenway.

General Sub-district Wide Improvements Set-Aside – Ten percent (10%) of the increment transferred from the Victory Sub-district shall be set-aside for other West Dallas Sub-

district wide improvement projects (General Sub-district Wide Improvements) and to be used as a match for potential grant funding of improvement projects.

Sports Arena TIF District - Sub-district Set-Asides			
Sub-districts	Max Set-Aside Amount	Collected to Date	Committed or Spent to Date
Victory Sub-district			
West Dallas Set-Aside*	-	\$3,525,104	\$3,525,104
Sub-district Wide Improvements Set-Aside	\$500,000	\$500,000	\$0
Riverfront Gateway Sub-district			
Sub-district Wide Improvements Set-Aside	\$955,000	\$16,371	\$0
West Dallas Sub-district			
Zoning Sub-district Wide Improvements Set-Aside	\$3,000,000	\$35,746	\$0
General Sub-district Wide Improvements Set-Aside*	-	\$352,510	\$0

**There are no max amounts for these set-asides.*