

TOD TIF District FY 2018-2019 Annual Report



City of Dallas

Office of Economic Development
1500 Marilla Street, 2CN
Dallas, Texas 75201
(214) 671-9821

http://www.dallas-ecodev.org/area_redevelopment.html

October 1, 2018 to September 30, 2019

Reinvestment Zone Number Seventeen Tax Increment Financing District

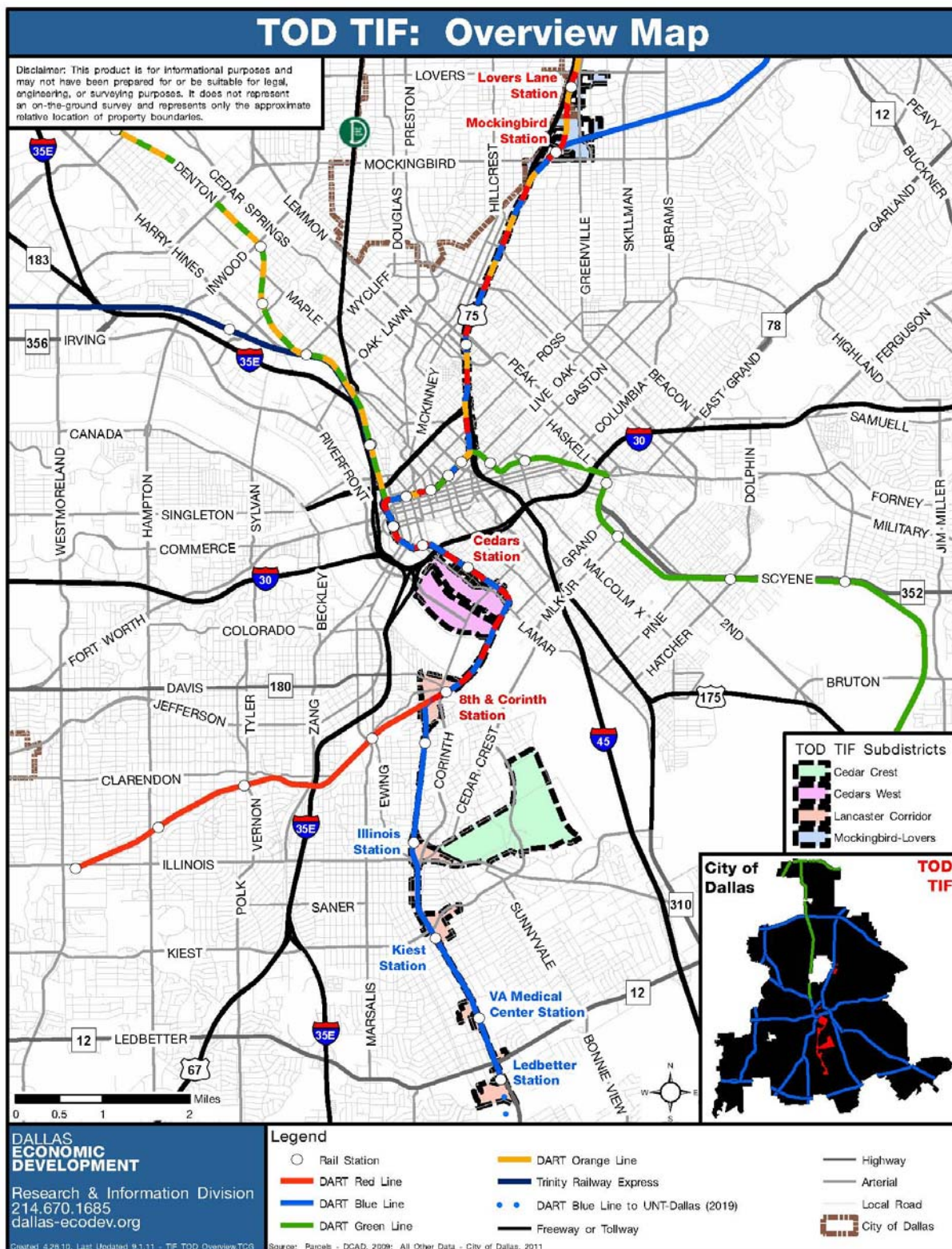


Table of Contents

Mission Statement.....	4
TOD TIF District Accomplishments	4
Mixed-Income Housing Summary.....	8
District Initiatives.....	9
Value and Increment Revenue Summary.....	15
Objectives, Programs, and Success Indicators	15
Year-End Summary of Meetings	18
Pending TIF Items.....	19
Budget and Spending Status.....	20
FY 2020 Work Program.....	22
Appendix A – Financials.....	23
Appendix B - Financial Obligations Estimated Payoff.....	27
Appendix C - District-wide Set Aside Funds	28
Appendix D – Annualized DART ridership for stations within the District.....	29

Front cover shows rendering of former Urban League Building renovation planned by E Smith Communities.

Mission Statement

The mission of the TOD TIF District is to provide a source of funding for public infrastructure improvements that will help create a series of unique destinations as well as foster the construction of structures or facilities that will be useful or beneficial to the development of transit stations along the DART light rail system in the central portion of the City. Redevelopment of the Lancaster Corridor and encouragement of transit-oriented mixed-use development (TOD's) around DART stations are top City priorities. Linkage of areas proximate to the Lovers Lane/Mockingbird, Cedars West, and Lancaster Corridor transit stations via the DART Rail Lines facilitates higher density urban development in all areas and permits tax increment sharing to occur.

The TOD TIF District term began on January 1, 2009 and will terminate on December 31, 2038, (including collection of the 2038 increment in calendar year 2039 and any related matters to be concluded in 2039).

TOD TIF District Accomplishments

Dallas City Council established the TOD TIF District by Ordinance Number 27432 on December 10, 2008, as amended.

The TOD TIF District contains a series of DART light rail station areas connected by the rail line. Chapter 311 of the Texas Tax Code was amended in 2007 to allow the creation of a reinvestment zone for properties that have some connection to and will benefit a mass transit rail system. The original TIF boundary included three sub-districts (and eight DART light rail stations) – Mockingbird/Lovers Lane, Cedars West, and the Lancaster Corridor within the District defined by the relationship of areas geographically and/or to redevelopment goals.

The Dallas City Council adopted the TOD TIF District Project Plan and Reinvestment Zone Financing Plan on April 14, 2010 by Ordinance 27854, as amended in April and November 2010 and May 2012.

In FY 2010, the TIF Board and City Council approved a development agreement dedicating up to \$8,492,273 in future TIF revenues in support of the Lancaster Urban Village project. The Lancaster Urban Village project was an important seed project for the Veterans Hospital "VA" DART Station area and was planned in conjunction with a related project to expand the Dallas Urban League offices and training facilities. Staff continued to work extensively with City Wide Community Development Corporation and their partner Catalyst Urban Development, LLC on coordination for other funding programs to complete the financing package for the project. In 2009, City Council approved an economic development forgivable loan agreement for to assist with land assemblage and related costs for the Dallas Urban League expansion and adjacent mixed-use development. Amendments related to the project were approved in 2011 and 2012.

In October 2010, the City was awarded a \$2.225 million U.S. Department of Housing and Urban Development (HUD) Community Challenge Planning Grant to be shared among three focus areas: 1) Lancaster Corridor/TOD TIF District (primarily Kiest and VA Station areas), 2) the DART Green Line Corridor including Hatcher Station-Spring Avenue JB Jackson, and Buckner station areas, and 3) the Vickery Meadow / Five Points Area. In 2013, the area plan for the Lancaster Corridor was adopted as an amendment to the forwardDallas! Comprehensive Plan.

In 2011, a \$400,000 TIF funding pledge for the SMU Boulevard streetscape and trail extension project was approved as a local match for a North Central Texas Council of Governments (NCTCOG) Sustainable Development grant. Amendments to extend project deadlines were approved in 2012, 2013 and 2015. The project construction as part of the NCTCOG scope has been completed.

In 2012, the TIF Board approved by-law amendments to reflect changes in state law for TIF Board composition recognizing that only taxing jurisdictions that participate financially can have representation and a change in the TIF design review process to have that function undertaken as part of the City Design Studio Peer Review Panel. The TIF Board also approved a set of master design guidelines and mixed-income housing guidelines.

The Lancaster Urban Village project was completed and began leasing in 2014. The project has won numerous awards including: National Association of Homebuilders Pillar of the Industry Award for The Best Affordable Apartment Community and a best in creative financing award from the National Development Council (NDC) in 2015.

In 2015, a development agreement for up to \$1,405,000 in future TIF funding and a Chapter 380 grant agreement for \$450,000 was approved in support of the Alamo Draffhouse Cinema Project in the Cedars West Sub-District. The project was completed in 2016.

The City's Housing Department has been working with City Wide CDC on plans for a multi-phased Lancaster Kiest Village project with the first phase beginning with a new Rudy's Chicken restaurant. Serenity Place Apartments, a supportive housing development was completed in 2015 and an office building opened in 2017.

In May 2019, City Council approved up to \$750,000 in 2017 Proposition I Bond Funds to assist in the renovation of the former Urban League Building located at 4315 South Lancaster Road for new office and retail tenants.

Staff continued to have discussions on other potential developments in the District. Initial projects within the District completed, under construction or in the development stage are shown in the table below.

TOD TIF District Projects ¹						
Projects Within TIF District Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. or Estimated Value ³	TIF Investment ⁴
Lancaster Urban Village – Mixed Use Building ⁽⁷⁾ ⁽⁸⁾	4417 S. Lancaster Rd.	2014	Complete	193 units; 14,131 square feet retail	\$9,350,000	\$8,492,273
Alamo Drafthouse Cinema ⁽⁷⁾	1005 S. Lamar St.	2016	Complete	38,000 square feet theater/restaurant	\$8,894,780	\$1,405,000
Subtotal				193 units; 14,131 square feet retail; 38,000 square feet theater/ rest.	\$18,244,780	\$9,897,273
Projects Within TIF District Not Utilizing TIF Funding ⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
The Shelby	5609 SMU Blvd.	2009	Complete	55 units; 3,720 square feet retail	\$17,699,558	n/a
Crest Plaza Shopping Ctr. Remodel ⁽⁷⁾	2603 S. Lancaster Rd.	2010	Complete	112,000 square feet retail	\$1,000,000 Added Investment	n/a
The BLVD (former Shamburger site)	5600 SMU Blvd.	2013	Complete	417 units; 9,100 square feet retail	\$67,000,000	n/a
Sphinx Development Corp. – Fiji/Compton Phase I	201 Fran Way	2010	Complete	130 senior apt. units	\$3,450,000	n/a
Sphinx Development Corp. – Fiji/Compton Phase II ⁽⁷⁾	Fran Way at 8 th and Corinth Streets	2016-2017	Complete	49 townhomes	\$9,491,309	n/a
NYLO Dallas South Side Hotel ⁽⁷⁾	1325 S. Lamar	2012	Complete	76 hotel rooms (55,000 square feet total with amenities)	\$7,250,000	n/a

Signature Pointe redevelopment, Phase I ⁽⁷⁾	5936 Lovers Lane	2014	Complete	336 units	\$56,000,000	n/a
Signature Pointe redevelopment, Phase II ⁽⁷⁾	5850 Lovers Lane	2015	Complete	202 senior housing units; 109 assisted living units; 13,929 medical office	\$45,500,000	n/a
CVS Pharmacy	5050 S. Lancaster Rd.	2013	Complete	14,991 sf retail	\$2,248,650	n/a
Lancaster Kiest Village - Rudy's Chicken ⁽⁷⁾	3107 S. Lancaster Rd.	2014	Complete	1,625 sf restaurant	\$512,320	n/a
Lancaster Kiest Village - Serenity Place Apartments ⁽⁷⁾	1310 E. Corning Ave.	2015	Complete	45 units	\$1,237,850	n/a
Lancaster Kiest Village – commercial/office space ⁽⁷⁾	3115 S. Lancaster Rd.	2017	Complete	10,000 sf office	\$1,627,080	n/a
Southern Methodist Univ. (SMU) Aquatics Center ⁽⁶⁾	5550 SMU Blvd.	2017	Complete	43,770 sf facility	\$31,328,120	n/a
Longhorn Ballroom ⁽⁷⁾	200 N. Corinth	2017	Phase I complete	43,032 sf entertainment venue	\$2,000,000	n/a
Urban League Building Renovation ⁽⁷⁾	4315 S. Lancaster Rd.	2020	Planned	23,777 sf office; 3,484 sf retail	\$4,400,000	n/a
Subtotal				1,343 units; 76 hotel rooms; 144,920 square feet retail; 47,706 square feet office; 43,770 square feet aquatics center; 43,032 sf entertain. venue	\$250,744,887	\$0
Projects Utilizing and Not Utilizing TIF Funding						
Total				1,536 units; 76 hotel rooms; 197,051 square feet retail; 47,706 square feet office; 43,770 sf aquatics center	\$268,989,667	\$9,897,273

¹ All information updated as of September 30, 2019.

² Based upon either the TIF application or 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) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF District for redevelopment projects once pre-existing value and/or the demolition of structures is netted out.

⁴ Principal amount not to be exceeded per the development agreement. TBD indicates that development agreement has not yet been adopted. Asterisk indicates investment also includes interest not shown.

⁵ Selected significant projects included.

⁶ Tax-exempt property. Amount shown is approximate investment in improvements.

⁷ Includes other incentives not shown. Contact City of Dallas Office of Economic Development for more information.

⁸ Per the TIF program mixed-income housing requirement, the project is providing at least 20% of units as affordable.

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 funding assistance are subject to the City's and County's established criteria for mixed income housing. In this District, as part of TIF funding, a total of 193 units have been built to date, and 98 are currently set-aside as affordable (HUD funding associated with Lancaster Urban Village requires 51% affordable units).

A total of 1,536 residential units have been completed. The 1,119 units completed in the Mockingbird/Lovers Lane Sub-District are market rate and were built without subsidy. Units built without TIF subsidy in the Lancaster Corridor Sub-District are affordable either as part of other assistance programs or due to the current market conditions that are at 80% or below area median family income levels.



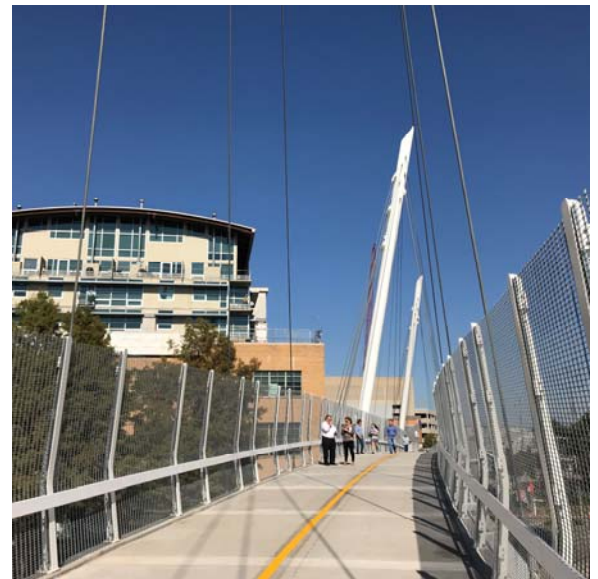
Lancaster Urban Village has brought high quality mixed-income housing and new retail services to the Lancaster Corridor.

District Initiatives

The City and community partners have been engaged in District-wide initiatives that have resulted in additional public infrastructure benefiting the District. Two projects received funding commitments in 2006 from the North Central Texas Council of Government's Sustainable Development Call for Projects. Project details are shown below.

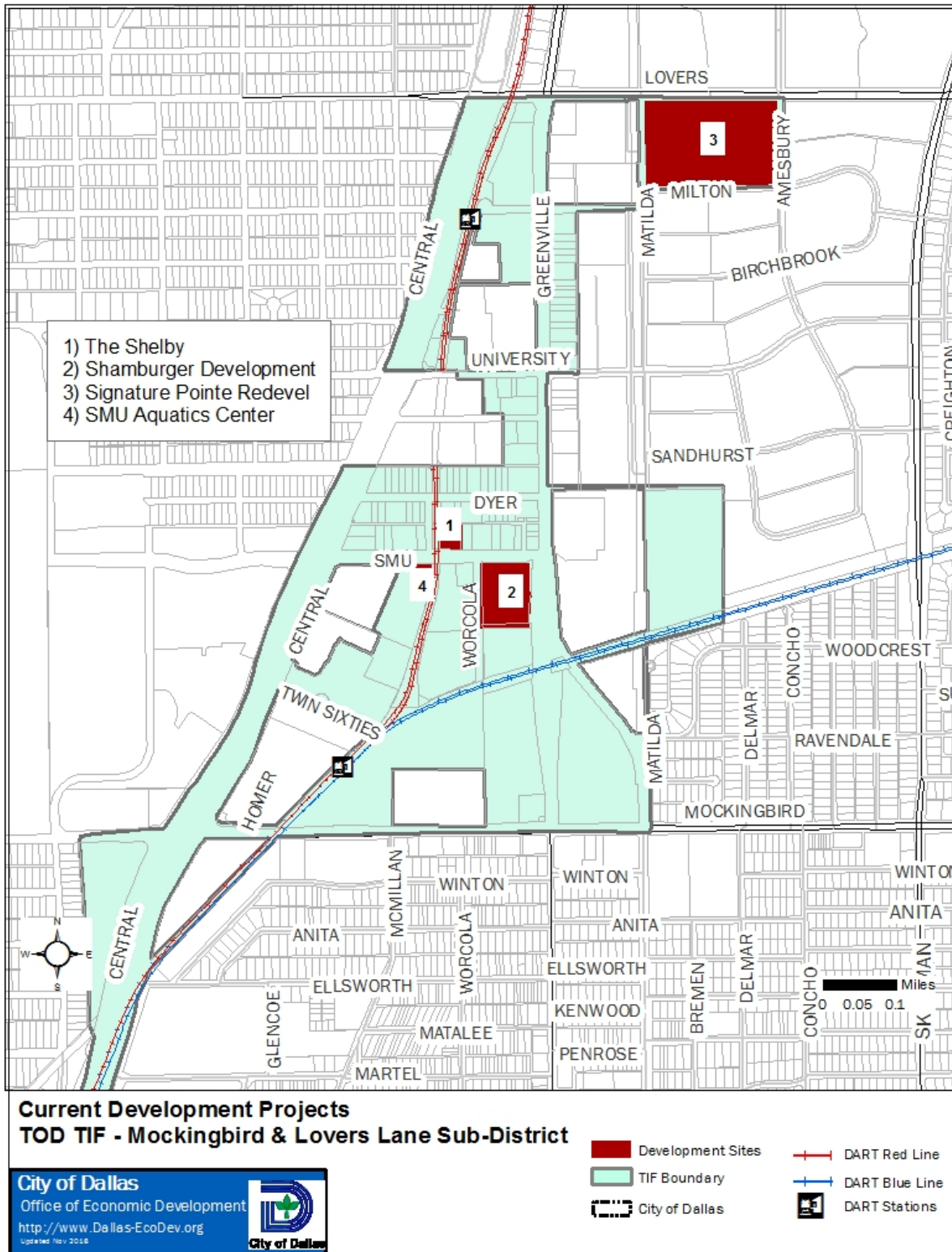
District Initiatives – Other Public Support for Projects				
Activity	Scope	Status	Investment	Source
Mockingbird Plaza Sustainable Development Project	Streetscape improvements along SMU Blvd. and trail/bicycle improvements from SMU Blvd to Mockingbird DART Station. City bond funds also authorized for SMU Blvd. improvements.	Funding approved by the NCTCOG's RTC on April 13, 2006. City Council authorized Interlocal Agreement December 2006 (amended June 2011). A TIF agreement with SMU to reimburse for the local match was authorized in June 2011 and deadlines extended in 2013. Construction was completion in 2015.	\$1,600,000 \$ 400,000 \$1,038,300	NCTCOG/RTC 2006 Local Match – Private (<i>agreement for TIF eligible reimbursement</i>) 2006 City bond funds
Sphinx at Fiji/Compton – Phase I-II Sustainable Development Project	Infrastructure including paving and drainage	Funding approved by the RTC on April 13, 2006. City Council authorized Interlocal Agreement December 2006. Street infrastructure work is complete.	\$2,811,986 \$ 702,997	NCTCOG/RTC 2006 Local Match – 2003 City bond funds
HUD Community Challenge Grant for Transit Oriented Development and Affordable Housing	Funding for planning and pre-development assistance related to affordable housing and TOD. Funding allocated to a portion of the Lancaster Corridor, Vickery Meadow/5-Points, and three Green Line DART stations areas - Hatcher, MLK and Buckner	The City was awarded the grant under the HUD Sustainable Communities Challenge Grants program in 2010. Fregonese Associates was selected as the consultant for planning activities (contract award up to \$799,968) related to the grant. In April 2013, the Dallas TOD Lancaster Corridor Area Plan was adopted.	\$2,225,000 Required Local Match for Grant: 20%	HUD funding TIF Funds (Vickery Meadow)

High Speed Rail (HSR)	Planning underway that includes Station Zone Assessment. The Cedars West portion of the TOD District has been included.	Texas Central Partners is a private group developing the Dallas to Houston HSR. Perkins+Will consultants was hired for the Station Zone Assessment in collaboration with the City and other public/private stakeholders	The Station Zone Assessment Plan was funded and contracted by Texas Central Rail. The build out cost for the system is estimated at \$12 billion	Texas Central Rail Private sources
Mockingbird Bridge & Redline Bridge	As part of larger Katy Trail project – a bridge over Mockingbird Lane for pedestrians and bicycles. A bridge over DART LRT Redline track just north of Twin Sixties Drive	Completed in 2017	\$17.575M	City Bond funds - \$10.095M RTR - \$6.48M Dallas County - \$1M

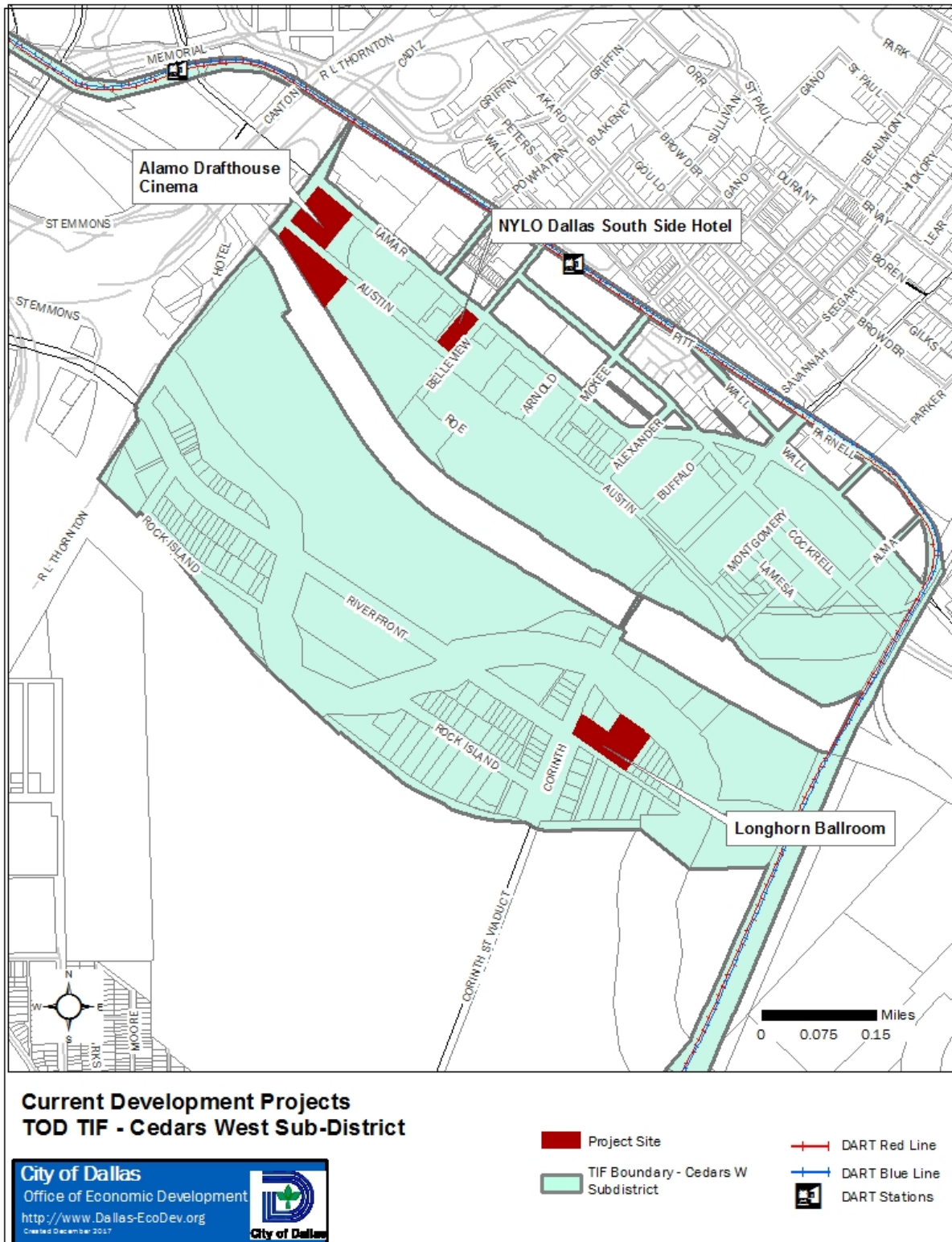


A trail connection from SMU Boulevard (left) connects to the Mockingbird Station area. The Mockingbird Bridge (right) opened for bikes and pedestrians in November 2017.

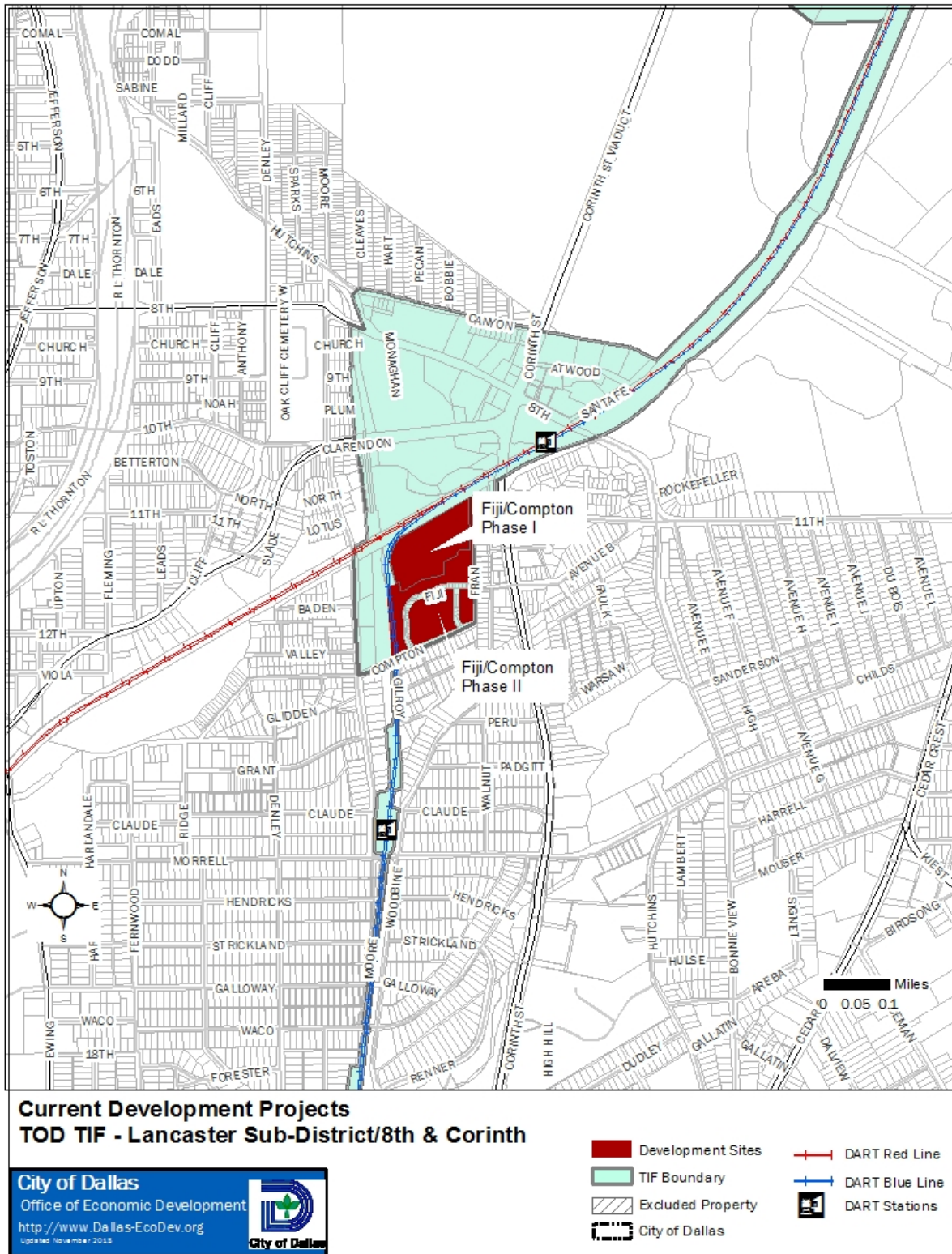
TIF District Development Project Map – Part 1 of 4



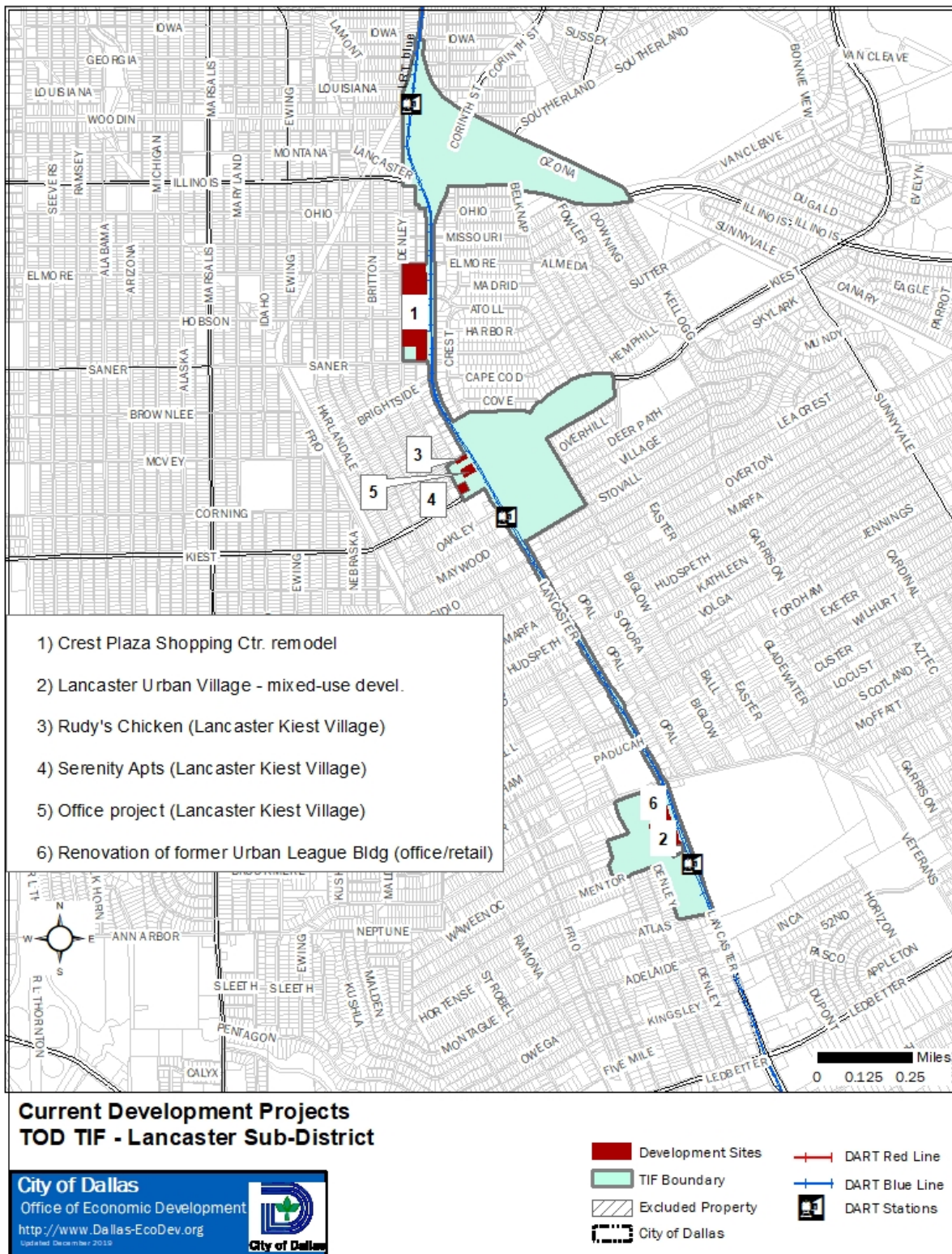
TIF District Development Project Map – Part 2 of 4



TIF District Development Project Map – Part 3 of 4



TIF District Development Project Map – Part 4 of 4



Value and Increment Revenue Summary

The TOD TIF District's assessed 2019 City taxable value was \$530,354,450 and varies for other taxing jurisdictions due to exemption levels. This represents an increase of \$328,279,929 or 162% over the base year (2008 and 2010) value, as amended. The TIF District anticipates collecting approximately \$2,596,308 in incremental tax revenue for tax year 2019.

Objectives, Programs, and Success Indicators

The final TOD TIF Project Plan and Reinvestment Zone Financing Plan was adopted in April 2010. Among the goals of the Plan are:

- To create additional taxable value attributable to new private investment in projects in the TOD TIF District totaling approximately \$2,431,000,000
Over \$268 million in new investment has been completed, is underway or planned (11% of the goal).
- To attract higher density new private development in the TOD TIF District totaling approximately 2,480,000 square feet of new or upgraded retail and office space and 13,900 residential units, including townhome, multi-family, and single-family projects.
197,051 square feet of new and upgraded retail space and 47,706 square feet of office space has been completed, is underway or planned (10% of the goal). Approximately 1,536 residential units have been completed (11% of the goal).

The Fiji Compton Townhomes are providing new housing options near the 8th & Corinth DART station



- To focus on encouraging the redevelopment of properties in the TOD TIF District, increase density and provide enhanced urban design for the various station areas that is commensurate with forwardDallas!, the City's Comprehensive Plan.
Initial development projects under construction or planned show momentum for more urban, pedestrian friendly redevelopment in support of forwardDallas!.
- Encourage development projects that will increase DART ridership at rail stations within the TOD TIF District.
*Development projects completed to date have added 1,536 new households near DART stations. The most recent average daily ridership figures (over the fiscal year) as of September 2019 for the eight DART light rail stations in or adjacent to the District are shown in the table below. Annualized ridership figures for the stations can be found in **Appendix D**.*

Average Daily Ridership at DART LRT Stations in or adjacent to the District					
Station	Daily ridership Sept 2008 (base yr)	Daily ridership – Sept 2018	Daily ridership – Sept 2019	%change from 2018-2019	%change from base year
Lovers Lane	1,300	1,174	1,143	-2.7%	-12.11%
Mockingbird	3,557	2,988	2,906	-2.7%	-18.29%
Cedars	1,171	823	844	2.6%	-27.95%
8 th & Corinth	2,158	1,544	1,514	-2.0%	-29.84%
Illinois	1,113	1,091	1,165	6.8%	4.70%
Kiest	1,282	1,018	1,008	-1.0%	-21.41%
VA Medical Center	868	712	712	----	-17.92%
Ledbetter	2,786	1,549	1,591	2.7%	-42.89%

- To improve access and connections between DART light rail station areas and strategic Dallas area amenities such as the campus and future research facilities of Southern Methodist University, the Bush Presidential Library, the Trinity River, Southside on Lamar, and the heart of Cedars to the Convention Center area, Dallas Zoo, Cedar Crest Golf Course, and Veterans Memorial Hospital.
The Mockingbird Plaza Sustainable Development Project and 2006 bond program public improvements were completed in summer 2015 and are facilitating better pedestrian connectivity along SMU Boulevard and to the Mockingbird DART Station along with connections to Southern Methodist University and the Bush Presidential Library. Improvements completed as part of the Lancaster Urban Village have improved connectivity to the Veterans Memorial Hospital and DART station.

- To increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the District.

The Mockingbird Plaza Sustainable Development Project has completed a walking and bicycle trail between SMU Boulevard and the Mockingbird DART station. An extension of the Katy Trail improvements, with City bond funds, in the Mockingbird area includes the Mockingbird Pedestrian Bridge that opened in 2017. SMU also invested in new facilities within the District, including an aquatics center.

SMU Aquatics Center



- To maintain the stability of local schools as redevelopment occurs in the housing market and promote improved training and job creation through partnerships with Southern Methodist University, Dallas County Community College District, the VA Hospital, Urban League, and the University of North Texas Law School.

Redevelopment projects thus far have primarily involved vacant or underutilized commercial sites. Partnerships with the Urban League and VA Hospital were pursued by local stakeholders. Partnerships with Southern Methodist University and Dallas County Community College District can also continue to be explored going forward.

- To generate approximately \$185.2 million (NPV; 2009 dollars) in increment over 28 years of collections, with up to 85 percent participation by the City and 55 percent participation by Dallas County.

The District's 2019 total taxable value of \$530,354,450 is approximately 74% behind the original projection of \$2,078,672,277. The economic downturn early in the term of the TIF District impacted the pace of new construction and existing property values.

- To diversify retail and commercial uses in the District.

Retail leasing as part of The Shelby and BLVD developments has brought new restaurants along SMU Boulevard. Upgrades at the Crest Plaza Shopping Center have doubled the size of a grocery store in an underserved area. The Alamo Drafthouse Cinema opened in 2016 adding to the entertainment venues in the Cedars area. The iconic Longhorn Ballroom was renovated in the Cedars area as well. The upcoming

renovation of the former Urban League Building will bring new office and retail tenants to the Lancaster corridor across from the VA Medical Center.



Alamo Drafthouse Cinema in the Cedars West Sub-District

- Add residential density including but not limited to provisions for affordable housing, elderly and special needs housing, and a sustainable mix of product types and destination related activities near DART light rail station within the District to promote overall system ridership and increase ridership levels at the specific stations in the District.

Initial projects completed have added a significant number of new units adjacent or near DART stations.



Traditions senior living (right),
part of the Signature Pointe
redevelopment in the
Mockingbird Sub-District

Year-End Summary of Meetings

The TOD TIF District Board of Directors met once during the fiscal year from October 1, 2018 to September 30, 2019.

The Board, based on amended composition, can consist of up to nine members, including eight City of Dallas appointees and one appointee from Dallas County. During FY 2018-2019 the Board members were (FY 2018-2019 Board meetings attended): Neal Sleeper, Chair - City Representative (1 of 1 meeting), Robbie Good, Vice Chair – City Representative (1 of 1 meeting), Michael Barrett – City Representative (1 of 1 meeting), Lee Daugherty City Representative (1 of 1 meeting), Andrew Brookshier (1 of 1 meeting), and Rick Loessberg – Dallas County Representative (1 of 1 meeting).

During the fiscal year, the City Council approved one item directly associated with the TOD TIF District and another economic development item for a project within the District:

- On February 27, 2019, the City Council passed Resolution Number 19-0375 accepting the FY 2017-2018 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Seventeen, (TOD TIF District), submitted by the TOD 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 May 22, 2019, the City Council passed Resolution Number 19-0828 authorizing a grant agreement with 4315 ESV, LLC for the renovation of the former Urban League Building located at 4315 South Lancaster Road in an amount not to exceed \$750,000 – Financing: 2017 Bond Funds (Proposition I).

Pending TIF Items

- Consideration of the FY 2018-2019 TOD TIF District Annual Report and a recommendation to the City Council for approval.

Budget and Spending Status

Each TIF District establishes a budget for the public improvement expenditures necessary to support private investment in the district in the Project Plan and Reinvestment Zone Financing Plan. The current TIF District budget is shown below:

TOD TIF District Projected Increment Revenue to Retire TIF Fund Obligations			
Category	TIF Budget*	Allocated	Balance
Lancaster Corridor Sub-Districts: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$121,986,211	\$4,215,673	\$117,770,538
Cedar Crest Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$40,819,461	\$0	\$40,819,461
Mockingbird/Lovers Lane Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$72,542,977	\$400,000	\$72,142,977
Cedars (West) Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$134,653,172	\$1,405,000	\$133,248,172
Affordable Housing	\$53,103,135	\$4,276,600	\$48,826,535
Administration and implementation**	\$8,499,605	\$423,115	\$8,076,490
Total Project Costs	\$432,400,346	\$10,720,388	\$421,679,958
<i>* NOTE: Budget shown above in total dollars. However, TIF plan shows the budget in net present value. ** TIF administration costs shown are expended through FY 2017-2018; actual FY 2018-2019 (in process) administration costs will be reflected in the FY 2019-2020 financial statements</i>			

TOD TIF District Final Project Plan Budget	
Category	TIF Budget*
Lancaster Corridor Sub-Districts: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$49,781,005
Cedar Crest Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$25,326,728
Mockingbird/Lovers Lane Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$30,020,910
Cedars (West) Sub-District: public infrastructure improvements; environmental remediation & demolition; parks, open space, trails, gateways; façade restoration; grants for high density projects; and transit related improvements	\$54,576,532
Affordable Housing	\$21,832,521
Administration and implementation	\$3,640,000
Total	\$185,177,697
<i>* As approved in the Project Plan and Reinvestment Zone Financing Plan (discounted to 2009 dollars).</i>	

TOD TIF M/WBE Participation			
Project	Contractor	Total Contract Award Amount	Percentage Minority Participation
Lancaster Urban Village	A&A Construction, Foliage Factory Landscape, Inc. & Rumsey Site Construction	\$1,325,696	61.1%
Alamo Drafthouse Cinema	Chubbs Landscaping, Pegasus Texas & Pate Jones Paving	\$481,882	46.07%
Total		\$1,807,578	\$810,453 (57.1%)

FY 2019-2020 Work Program

The FY 2019-2020 work program includes:

- Provide staff support for current projects in the District.
- Work with interested developers on potential TIF project proposals.
- Coordinate redevelopment efforts at Mockingbird Station with DART.
- Work to improve connections to the City of Dallas trails and open space system in the District.
- Provide staff support for the implementation of the Dallas TOD Lancaster Corridor Area Plan completed as part of the HUD Community Challenge Grant.
- Investigate additional sources of funding for the District.
- Coordinate with City and private partner efforts to plan for potential high-speed rail connections into the District.

Appendix A – Financials

City of Dallas, Texas
 TOD Tax Increment Financing District Fund
 Reinvestment Zone Number Fourteen
 As of September 30, 2019

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:

\$0 Interest Income	
\$2,280,596 Ad Valorem Taxes (Collected in FY'2018-19 based on 2018 Final Tax Roll)	
\$2,280,596	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$48,198 Administrative Expense - TIF admin cost is for fiscal year 2017-2018.***	
\$4,556,258 Non-Capital outlay*	
\$1,254,342 Capital outlay **	
\$400,000 SMU Boulevard Pedestrian Improvements	
\$0 Additional Subsidy in Form of Grant (in lieu of interest expense)	
\$6,258,798	Total Expenditures

* \$4,433,989 relates to TIF Eligible Expenditure for Lancaster Urban Village Residential & Commercial Projects.

* \$122,269 relates to demolition and environmental remediation to Alamo Drafthouse Cinema Project.

** \$195,087 relates to CCH Alamo Drafthouse Cinema Project infrastructure cost reimbursement.

** \$1,059,255 relates to Lancaster Urban Village Project infrastructure cost reimbursement.

*** TIF admin cost is \$45,921 and PNV cost is \$2,277 for a combined total admin cost of \$48,198

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

3. TIF administrative costs associated with staff time spent are being accumulated thru fiscal year 2011-12. The Zone began reimbursing the General Fund for these costs in fiscal year 2011-12.

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

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

b. The Zone entered into a development agreement with City Wide CDC for the "Lancaster Urban Village" development in the TIF in an amount not to exceed \$8,492,273. Reimbursement status is as follows as of fiscal year 2019:

Project	Principal	Accrued Add'l Subsidy	Less Payments	Total (P & I) Outstanding
Lancaster Urban Village - Residential & Commercial Project	\$8,492,273	\$0	\$5,493,244	\$2,999,029
Total	\$8,492,273	\$0	\$5,493,244	\$2,999,029

c. The Zone entered into a development agreement with Southern Methodist University to reimburse up to \$400,000 as part of a NCTCOG grant local match. Full reimbursement occurred in FY 2019.

d. The Zone entered into a development agreement with CCH Alamo, LP for the Alamo Drafthouse Cinema Project development in the TIF in an amount not to exceed \$1,405,000 with reimbursement status as follows:

Project	Principal	Accrued Add'l Subsidy (1)	Less Payments	Total (P & I) Outstanding
CCH Alamo Drafthouse Cinema Project	\$1,405,000	\$0	\$618,757	\$786,243
Total	\$1,405,000	\$0	\$618,757	\$786,243

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

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

Taxing Jurisdiction	Taxable Value 2019*	Base Year 2008 Value	Est. Captured Value 2019**
City of Dallas	\$530,354,450	\$202,074,521	\$328,279,929
Dallas County	\$530,553,687	\$209,474,248	\$321,079,439

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

**Based on DCAD Certified Taxable Value. The final values will be determined on February 01, 2020.

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

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

Taxing Jurisdiction	Assessment Per \$100***	Amount of Estimated 2019 Increment
City of Dallas	0.66011	\$2,167,009
Dallas County	0.13371	\$429,299
Total for all Jurisdictions	\$0.79382	\$2,596,308

***Participation rates for City of Dallas are 70% for tax years 2009-2011, 85% for tax years 2012-2029 and 70% for tax years 2030-2038.

***Participation rates for Dallas County are 0% for tax years 2009-2010 and 55% for tax years 2011-2030.

B. The total amount of estimated tax increment to be billed for the 2019 tax year is \$2,596,281. For the 2018 tax year, increment in the amount of \$2,280,596 was received.

City of Dallas, Texas
TOD 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	\$8,948,502	\$7,070,182	\$5,451,199	\$3,290,780	\$1,731,443
Interest receivable	\$0	\$0	\$0	\$0	\$0
Total assets	<u>\$8,948,502</u>	<u>\$7,070,182</u>	<u>\$5,451,199</u>	<u>\$3,290,780</u>	<u>\$1,731,443</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$5,810,600	\$0	\$0	\$0	\$0
Advances from developers	\$0	\$0	\$0	\$0	\$0
Accrued interest	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$45,921	\$0	\$203,176	\$203,176	\$203,176
Total liabilities	<u>\$5,856,521</u>	<u>\$0</u>	<u>\$203,176</u>	<u>\$203,176</u>	<u>\$203,176</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	<u>\$3,091,981</u>	<u>\$7,070,182</u>	<u>\$5,248,023</u>	<u>\$3,087,604</u>	<u>\$1,528,266</u>
Total Liabilities and Fund Equity	<u>\$8,948,502</u>	<u>\$7,070,182</u>	<u>\$5,451,199</u>	<u>\$3,290,780</u>	<u>\$1,731,443</u>

TOD 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	\$8,351,953	\$1,906,996	\$1,790,617	\$1,858,466	\$1,274,859	\$864,618
Tax increment-Intergovernmental	\$1,677,085	\$373,600	\$334,885	\$343,346	\$310,673	\$164,131
Interest income	\$0	\$0	\$0	\$0	\$0	\$0
Grant from City	\$0	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues	<u>\$10,029,038</u>	<u>\$2,280,596</u>	<u>\$2,125,502</u>	<u>\$2,201,812</u>	<u>\$1,585,532</u>	<u>\$1,028,749</u>
Expenditures:						
Administrative expenses	\$423,115	\$48,198	\$0	\$41,393	\$26,194	\$36,245
Non-Capital Outlay	\$4,558,200	\$4,556,258	\$1,942	\$0	\$0	\$0
Capital outlay	\$1,955,743	\$1,654,342	\$301,401	\$0	\$0	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$6,937,057</u>	<u>\$6,258,798</u>	<u>\$303,343</u>	<u>\$41,393</u>	<u>\$26,194</u>	<u>\$36,245</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$3,091,981</u>	<u>(\$3,978,202)</u>	<u>\$1,822,160</u>	<u>\$2,160,419</u>	<u>\$1,559,338</u>	<u>\$992,504</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$7,070,182	\$5,248,023	\$3,087,604	\$1,528,266	\$535,762
Fund balance (Deficit) at beginning of year, as restated	<u>\$0</u>	<u>\$7,070,182</u>	<u>\$5,248,023</u>	<u>\$3,087,604</u>	<u>\$1,528,266</u>	<u>\$535,762</u>
Fund balance (deficit) at end of year	<u>\$3,091,981</u>	<u>\$3,091,981</u>	<u>\$7,070,182</u>	<u>\$5,248,023</u>	<u>\$3,087,604</u>	<u>\$1,528,266</u>

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.

City of Dallas, Texas
TOD Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2019

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. The TIF's cash balances are invested in the City's investment pool and include amounts in demand deposits as well as short-term investments. Pooled investments and short-term non-pooled investments are treated as cash equivalents. Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.
3. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
5. The Zone's Financial Plan permits expenditures not to exceed \$8,499,605 (in current \$) over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the General Fund upon collection of tax increment in fiscal year 2011-12. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
6. "Due to general fund" amount of \$45,921 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.
7. Actual FY 2018-2019 (in Process) administration costs will be reflected in the FY 2019-2020 Financial Statements.
8. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B – Financial Obligations Estimated Payoff

The District currently has two outstanding developer obligations:

- Lancaster Urban Village has an outstanding obligation of \$8,492,273. Payments totaling \$5,493,244 was made towards the repayment of a HUD Section 108 loan associated with the project. Based on current projections, the remaining \$2,999,029 obligation will be met by 2021.
- Alamo Drafthouse has an outstanding obligation of \$1,405,000. Payments totaling \$618,757 have been made. Based on projections for the Cedars West Sub-District, the remaining \$786,243 obligation will be fully met by tax year 2020 (calendar year 2021).

Appendix C – District-wide Set Aside Funds

The TIF Increment Allocation Policy adopted by the TIF Board gives the option for setting aside a portion of funds for District-wide improvements. To date the only commitment has been \$400,000 for a local match as part of SMU Boulevard Improvements, this commitment has been fully paid.

The intent is to leverage TIF funds as a match for other funding.

Appendix D – Annualized DART Ridership Figures

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Lovers Lane	388,916	-	-
FY 2009	Lovers Lane	381,092	-2.01%	-2.01%
FY 2010	Lovers Lane	352,583	-7.48%	-9.34%
FY 2011	Lovers Lane	343,315	-2.63%	-11.73%
FY 2012	Lovers Lane	415,064	20.90%	6.72%
FY 2013	Lovers Lane	485,329	16.93%	24.79%
FY 2014	Lovers Lane	460,277	-5.16%	18.35%
FY 2015	Lovers Lane	460,000	-0.06%	18.28%
FY 2016	Lovers Lane	429,794	-6.57%	10.51%
FY 2017	Lovers Lane	408,864	-4.87%	5.13%
FY 2018	Lovers Lane	380,581	-6.92%	-2.14%
FY 2019	Lovers Lane	360,459	-5.29%	-7.32%

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Mockingbird	1,078,001	-	-
FY 2009	Mockingbird	1,041,461	-3.39%	-3.39%
FY 2010	Mockingbird	951,833	-8.61%	-11.70%
FY 2011	Mockingbird	937,940	-1.46%	-12.99%
FY 2012	Mockingbird	985,065	5.02%	-8.62%
FY 2013	Mockingbird	1,149,210	16.66%	6.61%
FY 2014	Mockingbird	1,139,581	-0.84%	5.71%
FY 2015	Mockingbird	1,118,252	-1.87%	3.73%
FY 2016	Mockingbird	1,032,351	-7.68%	-4.23%
FY 2017	Mockingbird	1,011,853	-1.99%	-6.14%
FY 2018	Mockingbird	1,011,853	-6.77%	-12.49%
FY 2019	Mockingbird	912,562	-3.27%	-15.35%

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Cedars	347,029	-	-
FY 2009	Cedars	340,164	-1.98%	1.98%
FY 2010	Cedars	281,023	-17.39%	-19.02%
FY 2011	Cedars	288,685	2.73%	-16.81%
FY 2012	Cedars	230,948	-20.00%	-33.45%
FY 2013	Cedars	211,458	-8.44%	-39.07%
FY 2014	Cedars	211,657	0.09%	-39.01%
FY 2015	Cedars	215,091	1.62%	-38.02%
FY 2016	Cedars	229,992	6.93%	-33.73%
FY 2017	Cedars	252,331	9.71%	-27.29%
FY 2018	Cedars	261,578	3.66%	-24.62%
FY 2019	Cedars	262,981	0.54%	-24.22%

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	8 th & Corinth	656,642	-	-
FY 2009	8 th & Corinth	630,305	-4.01%	-4.01%
FY 2010	8 th & Corinth	531,037	-15.75%	-19.13%
FY 2011	8 th & Corinth	488,222	-8.06%	-25.65%
FY 2012	8 th & Corinth	490,938	0.56%	-25.24%
FY 2013	8 th & Corinth	515,290	4.96%	-21.53%
FY 2014	8 th & Corinth	494,818	-3.97%	-24.64%
FY 2015	8 th & Corinth	513,607	3.80%	-21.78%
FY 2016	8 th & Corinth	495,367	-3.55%	-24.56%
FY 2017	8 th & Corinth	500,279	0.99%	-23.81%
FY 2018	8 th & Corinth	484,148	-3.22%	-26.27%
FY 2019	8 th & Corinth	467,830	-3.37%	-28.75%

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Illinois	336,798	-	-
FY 2009	Illinois	335,744	-0.31%	-0.31%
FY 2010	Illinois	297,528	-11.40%	-10.81%
FY 2011	Illinois	289,843	-2.58%	-13.94%
FY 2012	Illinois	297,786	2.74%	-11.58%
FY 2013	Illinois	332,623	11.70%	-1.24%
FY 2014	Illinois	312,913	-5.93%	-7.09%
FY 2015	Illinois	329,027	5.15%	-2.31%
FY 2016	Illinois	330,459	0.44%	-1.88%
FY 2017	Illinois	348,863	5.57%	3.58%
FY 2018	Illinois	347,429	-0.41%	3.16%
FY 2019	Illinois	370,729	6.71%	10.07%

Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Kiest	393,222	-	-
FY 2009	Kiest	395,829	0.66%	0.66%
FY 2010	Kiest	350,702	-11.40%	-10.81%
FY 2011	Kiest	340,456	-2.92%	-13.42%
FY 2012	Kiest	342,802	0.69%	-12.82%
FY 2013	Kiest	356,646	4.04%	-9.30%
FY 2014	Kiest	319,175	-10.51%	-18.83%
FY 2015	Kiest	312,272	-2.16%	-20.59%
FY 2016	Kiest	314,895	0.84%	-19.92%
FY 2017	Kiest	329,132	4.52%	-16.30%
FY 2018	Kiest	319,870	-2.81%	-18.65%
FY 2019	Kiest	313,639	-1.95%	-20.24%
Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	VA Medical Ctr	249,549	-	-
FY 2009	VA Medical Ctr	259,023	3.80%	3.80%
FY 2010	VA Medical Ctr	266,295	2.81%	6.71%
FY 2011	VA Medical Ctr	248,288	-6.76%	-0.51%
FY 2012	VA Medical Ctr	262,728	5.82%	5.28%
FY 2013	VA Medical Ctr	254,007	-3.32%	1.79%
FY 2014	VA Medical Ctr	230,898	-9.10%	-7.47%
FY 2015	VA Medical Ctr	227,267	-1.57%	-8.93%
FY 2016	VA Medical Ctr	228,635	0.60%	-8.38%
FY 2017	VA Medical Ctr	224,258	-1.91%	-10.13%
FY 2018	VA Medical Ctr	205,666	-8.29%	-17.59%
FY 2019	VA Medical Ctr	205,251	-0.20%	-17.75%
Year	Station	Annualized Ridership	Change from Previous Year	Change from Base Year
FY 2008	Ledbetter	838,701	-	-
FY 2009	Ledbetter	806,150	-3.88%	-3.88%
FY 2010	Ledbetter	683,950	-15.16%	-18.45%
FY 2011	Ledbetter	668,353	-2.28%	-20.31%
FY 2012	Ledbetter	721,788	8.00%	-13.94%
FY 2013	Ledbetter	696,695	-3.48%	-16.93%
FY 2014	Ledbetter	714,688	2.58%	-14.79%
FY 2015	Ledbetter	688,625	-3.65%	-17.89%
FY 2016	Ledbetter	665,792	-3.32%	-20.62%
FY 2017	Ledbetter	631,405	-5.16%	-24.72%
FY 2018	Ledbetter	488,925	-22.57%	-41.70%
FY 2019	Ledbetter	497,552	1.76%	-40.68%