

Exhibit A

Maple/Mockingbird TIF District FY 2018-2019 Annual Report



aLoft/Element - Love Field Hotel



City of Dallas

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

Reinvestment Zone Number Eighteen Maple/Mockingbird Tax Increment Financing District

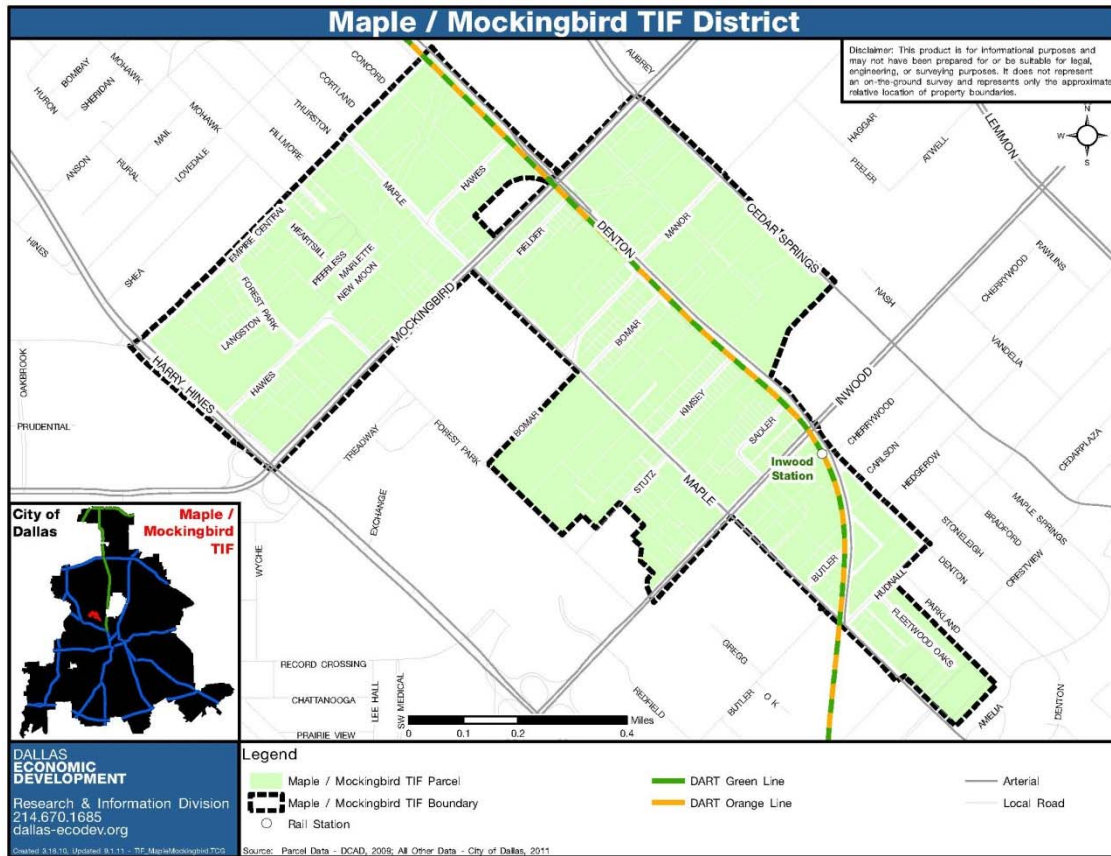


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Mission Statement

The mission of the Maple/Mockingbird TIF District is to provide a source of funding for public infrastructure improvements necessary to enhance the real estate market for the Maple/Mockingbird TIF District area. The Maple/Mockingbird Tax Increment Financing (TIF) District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping underdeveloped land near employment centers to take full advantage of the expanding DART light rail system and area resources such as Love Field Airport and the Southwestern Medical District.

The Maple/Mockingbird TIF District took effect on January 1, 2009 and will terminate on December 31, 2033 (including collection of the 2033 increment in calendar year 2034 and any related matters to be concluded in 2034) or when the budget of \$27.8 million (NPV) or \$58.4 million total dollars has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City's participation is 70% in 2009 through 2011, increases to 85% from 2012 through 2026 and decreases to 70% from 2027 through 2033. Dallas County's participation is 55% for the first twenty years of the District.

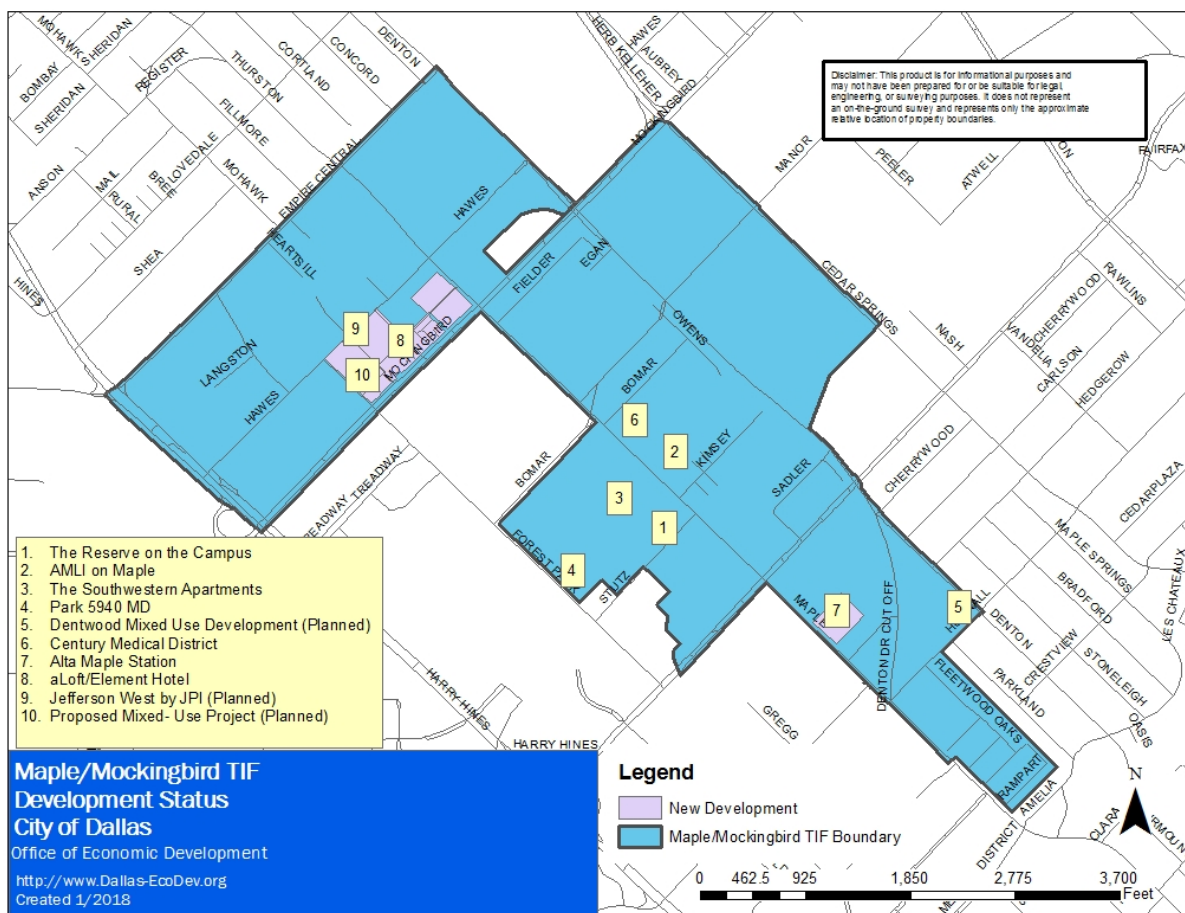
District Accomplishments

Maple Station, a transit-oriented development project near the Inwood Station, consisting of approximately 249 residential units located at 5252 and 5602 Maple Avenue, opened in 2015. Maple Station is the first TIF funded project in the Maple/Mockingbird TIF District.

The aloft-Element Hotel at West Love, located at 2333 W. Mockingbird Lane completed construction in early 2017. The 232-room hotel was the first non-residential project approved for TIF subsidy in the District.

Maple/Mockingbird TIF District Projects						
Projects Within TIF District Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Maple Station Project	5522 Maple Ave	2015	Completed	249 res. units	\$19,969,870	\$8,000,000
aLoft/Element Hotel @ West Love	2345 W Mockingbird Ln	2016	Completed	232 hotel rooms	\$18,312,170	\$3,000,000
Sub-Total				249 res. units 232 hotel rooms	\$38,282,040	\$11,000,000
Projects Within TIF District Not Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Reserve on the Campus	2325 Stutz Rd 2335 Stutz Rd	2012	Completed	18 res. units	\$6,370,080	\$0
AMLI on Maple	6008 Maple Ave	2012	Completed	300 res. units	\$46,000,000	\$0
The Southwestern Apartments	5959 Maple Ave	2014	Completed	359 res. units	\$52,000,000	\$0
Park 5940 MD	5940 Forest Park Rd	2013	Completed	343 res. units	\$54,000,000	\$0
Century Medical District Apts	6162 Maple Ave	2015	Completed	300 res. units	\$41,000,000	\$0
Inwood Station	2727 Inwood Rd	2017	Completed	347 res. units	\$27,318,160	\$0
Jefferson West Love	2293 Hawes Ave	2019	Under Construction	368 res. units	\$49,789,750	\$0
Sub-Total				2035 res. units	\$264,970,280	\$0
Total				2284 res. units 232 hotel rooms	\$303,252,320	\$11,000,000
¹ All information updated as of September 30, 2019. ² Based upon information from developer, new articles and/or project announcements. For completed projects, information reflects actual unit mix and square footage. ³ Based upon either 1) DCAD market value for completed projects or 2) estimated DCAD value for projects under construction or announced.						

TIF District Development Map



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 the District's creation, only one residential project has received TIF funding, Maple Station. Of the 249 residential units constructed, in Maple Station, 50 units (20%) have been set-aside as affordable.

Value and Increment Summary

The Maple/Mockingbird TIF District's 2009 assessed taxable value was \$184,005,009. The District's 2019 taxable value was \$693,226,001. This represents an increase of \$509,220,992 or 276.7% from the 2009 base year value.

The District's value increased by \$90,733,125 (15.1%) from the previous year's value (\$602,492,876). This increase in District value will result in the collection of approximately \$4,041,130 (City \$3,361,419; County \$679,711) in incremental revenue for the District.

Objectives, Programs, and Success Indicators

The final Maple/Mockingbird Project Plan and Reinvestment Zone Financing Plan was adopted in September 2009. The goals of the Plan are summarized below:

- Create additional taxable value in the Mockingbird/Maple TIF District a minimum of \$374.2 million over the term of the District.

The District's taxable value in 2019 was \$509,220,992 over the base year value (1361%).

- Attract new private development adding approximately 2,500 new residential units and 650,000 square feet of retail space to increase the area's population density and shopping options, adding approximately 1.2 million square feet of new retail, office and medical.

In total 2,284 residential units have completed construction or are currently under construction (91% goal). Additionally, 232 hotel rooms have been added to the District.

- Generate an NPV of \$27.8 million or approximately \$54.7 million in total dollars in TIF revenues over 25 years of collections.

As of the end of the 2018-2019 fiscal year, approximately \$15.4 million in TF revenue has been collected (28% of total dollars' goal).

Year-End Summary of Meetings

The Maple/Mockingbird TIF District Board of Directors met once during FY 2018-2019 on January 24, 2019.

The Maple Mockingbird TIF District Board of Directors consist of seven (7) members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2018-2019, the Maple Mockingbird TIF Board consisted of the following members:

Robert Prejean – City Appointee and Chair (attended 1 of 1 meeting)

Lily Fern Mak – City Appointee (attended 1 of 1 meeting)
 Se-Gwen Tyler – City Appointee (attended 1 of 1 meeting)
 Priscylla Bento – City Appointee (attended 0 of 1 meeting)
 Reina Gonzalez – City Appointee (attended 0 of 1 meeting)
 Rick Loessberg – Dallas County Appointee (attended 1 of 1 meeting)

During FY 2018-2019, the City Council approved one (1) item associated with the Maple/Mockingbird TIF District:

- On February 27, 2019, City Council approved Resolution No.19-0376, accepting the FY 2017-2018 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Eighteen, (Maple/Mockingbird TIF District), submitted by the Maple/Mockingbird 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.

Budget and Spending Status

Maple/Mockingbird TIF District Projected Increment Revenue of Retire TIF Fund Obligation			
Budget Category	TIF Budget ¹	Allocated	Balance
Infrastructure/Utility Improvements - design and engineering; street paving construction and resurfacing; utility improvement, relocation and burial; streetscape; open space	\$31,085,973	\$2,595,000	\$28,490,973
Environmental Remediation and Demolition	\$4,426,800	\$315,000	\$4,111,800
Affordable Housing	\$8,361,733	\$4,400,000	\$3,961,733
Retail/High Density Grant Program	\$7,978,077	\$3,690,000	\$4,288,077
Administration and Implementation ²	\$2,804,374	\$337,854	\$2,466,520
Total Project Costs	\$54,656,957	\$11,337,854	\$43,319,103
¹ Revenue shown above are estimated total dollars to be collected over the life of the District; TIF Project Plan shows the budget in net present value (2006 dollars)			
² Administration and Implementation costs for FY 2018-2019 are not included in the allocation above.			

Maple/Mockingbird TIF District Project Plan Budget	
Category	TIF Budget (NPV)*
Infrastructure/Utility Improvements - design and engineering; street paving construction and resurfacing; utility improvement, relocation and burial; streetscape; open space	\$15,800,000
Environmental Remediation and Demolition	\$2,250,000
Affordable Housing	\$4,250,000
Retail/High Density Grant Program	\$4,055,000
Administration and Implementation	\$1,425,373
Total Project Costs	\$27,780,373
<i>* As approved in the Project Plan and Reinvestment Zone Plan in 2009 dollars.</i>	

M/WBE Participation				
Project	Contractor	Service	Total Contractor Award Amount	Percentage Minority Participation
Alta Maple Station	Lindawood Demolitions	Demolition	\$149,042.50	9.31%
Alta Maple Station	Rusey Site Construction	Construction	\$1,354,556.50	84.63%
Total Public BID Amount			\$1,600,596.50	93.9%
Alta Maple Station	Spoor Electric	Electric	\$1,716,965.00	7.20%
Alta Maple Station	Longhorn Mechanical	Utilities	\$819,019.00	3.43%
Total Private BID Amount			\$23,859,653.50	10.6%
Total Public and Private BID Amount			\$27,996,234.00	
<i>Requirements were 25% MWBE of Public BID and 10% of Private BID</i>				

FY 2019-2020 Work Program

The FY 2019-2020 work program for the Maple/Mockingbird TIF District is as follows:

- Promote new development projects in the District, including development sites along Mockingbird.
- Identify additional redevelopment sites including the Inwood DART Station area, work with developers of anticipated development projects within the District to bring them to fruition and continue to seek growth in the District through the attraction of mixed-use, high-density development.

Appendix A – Financials

City of Dallas, Texas
Maple/Mockingbird 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	\$723,170	\$2,978,577	\$720,330	\$284,815	\$1,479,294
Interest receivable	\$780	\$7,089	\$1,864	\$447	\$1,804
Total assets	<u>\$723,950</u>	<u>\$2,985,666</u>	<u>\$722,194</u>	<u>\$285,262</u>	<u>\$1,481,098</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$2,765,984	\$0	\$0	\$0
Advances from developers	\$0	\$0	\$0	\$0	\$0
Accrued interest	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$45,735	\$0	\$123,017	\$123,017	\$123,017
Total liabilities	<u>\$45,735</u>	<u>\$2,765,984</u>	<u>\$123,017</u>	<u>\$123,017</u>	<u>\$123,017</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	<u>\$678,216</u>	<u>\$219,682</u>	<u>\$599,177</u>	<u>\$162,245</u>	<u>\$1,358,081</u>
Total Liabilities and Fund Equity	<u>\$723,951</u>	<u>\$2,985,666</u>	<u>\$722,195</u>	<u>\$285,263</u>	<u>\$1,481,098</u>

Maple/Mockingbird 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	\$9,427,958	\$2,757,927	\$2,220,807	\$1,838,873	\$1,324,784	\$818,778
Tax increment-Intergovernmental	\$1,867,589	\$571,807	\$433,271	\$353,860	\$258,490	\$160,176
Interest income	\$62,398	\$12,675	\$26,879	\$9,968	\$4,191	\$6,788
Net increase (decrease) in fair value of investments	\$2,154	\$14,413	(\$11,044)	(\$1,687)	(\$2,647)	\$3,168
Total revenues	<u>\$11,360,100</u>	<u>\$3,356,822</u>	<u>\$2,669,912</u>	<u>\$2,201,013</u>	<u>\$1,584,818</u>	<u>\$988,910</u>
Expenditures:						
Administrative expenses	\$337,854	\$47,168	\$0	\$53,411	\$47,822	\$42,090
Non-Capital Outlay	\$8,694,030	\$2,825,403	\$1,425,126	\$1,710,670	\$2,732,831	\$0
Capital outlay	\$1,650,000	\$25,718	\$1,624,282	\$0	\$0	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$10,681,884</u>	<u>\$2,898,288</u>	<u>\$3,049,407</u>	<u>\$1,764,081</u>	<u>\$2,780,653</u>	<u>\$42,090</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$678,216</u>	<u>\$458,533</u>	<u>(\$379,495)</u>	<u>\$436,932</u>	<u>(\$1,195,835)</u>	<u>\$946,821</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$219,682	\$599,177	\$162,245	\$1,358,081	\$411,260
Fund balance (Deficit) at beginning of year, as restated	<u>\$0</u>	<u>\$219,682</u>	<u>\$599,177</u>	<u>\$162,245</u>	<u>\$1,358,081</u>	<u>\$411,260</u>
Fund balance (deficit) at end of year	<u>\$678,216</u>	<u>\$678,216</u>	<u>\$219,682</u>	<u>\$599,177</u>	<u>\$162,245</u>	<u>\$1,358,081</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
Maple/Mockingbird Tax Increment Financing District Fund
Reinvestment Zone Number Eighteen
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:

\$27,089	Interest Income
\$3,329,733	Ad Valorem Taxes (Collected in FY'2018-19 based on 2018 Final Tax Roll)
<u>\$3,356,822</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$47,168	Administrative Expense - TIF admin costs for FY18.*
\$2,825,403	Non-Capital outlay (1)
\$25,718	Capital outlay (1)
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
<u>\$2,898,288</u>	Total Expenditures

* TIF Admin cost is \$45,735 and PNW cost is \$1,433 for a combined total admin cost of \$47,168

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

(1) These expenditures are for the following Projects:

	<u>Non-Capital Outlay</u>	<u>Capital Outlay</u>	<u>Total</u>
Maple Station Project Reimbursement	\$1,485,870	\$0	\$1,485,870
Love Field Hotel Project Reimbursement	\$1,339,532	\$25,718	\$1,365,251
PNW Design Studio cost Reimb.to General Fund	\$0	\$0	\$0
Total	<u>\$2,825,403</u>	<u>\$25,718</u>	<u>\$2,851,121</u>

3. The Zone started reimbursing the General Fund for TIF administrative costs in fiscal year 2010-11.

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

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

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

<u>Project Description</u>	<u>Balance Due (Since Inception)</u>			<u>Payments/Adjustments To Date</u>			<u>Net Bal. Due</u>
	<u>Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Total Due</u>	<u>Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Total Paid</u>	
Maple Station Project	\$8,000,000	\$0	\$8,000,000	\$7,354,236	\$0	\$7,354,236	\$645,764
Love Field Hotel Project	\$3,000,000	\$0	\$3,000,000	\$2,989,532	\$0	\$2,989,532	\$10,468
Totals	<u>\$11,000,000</u>	<u>\$0</u>	<u>\$11,000,000</u>	<u>\$10,343,768</u>	<u>\$0</u>	<u>\$10,343,768</u>	<u>\$656,232</u>

(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:

	<u>Taxable Value 2019¹</u>	<u>Base Year 2008 Value</u>	<u>Est. Captured Value 2019²</u>
City of Dallas	\$693,226,001	\$184,005,009	\$509,220,992
Dallas County	\$693,603,895	\$185,237,382	\$508,366,513

¹Taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.

²Based on 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:

<u>Taxing Jurisdiction</u>	<u>Assessment Per \$100</u>	<u>Amount of Estimated 2019 Increment</u>
City of Dallas ¹	0.66011	\$3,361,419
Dallas County ²	0.13371	\$679,711
Total for all Jurisdictions	<u>\$0.79382</u>	<u>\$4,041,130</u>

¹Participation rates for City of Dallas are 70% for tax years 2009-2011, 85% for tax years 2012-2026 and 70% for tax years 2027-2031.

²Participation rate for Dallas County is 55% for tax years 2009-2030.

³The District began collecting increment in fiscal year 2009-10 for tax year 2009.

b. The total amount of estimated tax increment to be billed for the 2019 tax year is \$4,041,130. For the 2018 tax year, the Zone collected \$3,329,733 in increment.

Notes to Financials

City of Dallas, Texas
Maple/Mockingbird 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. 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 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.
4. The Zone's Financial Plan permits expenditures not to exceed \$2,830,683 over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the General Fund in fiscal year 2010-11. 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 \$45,735 at September 30, 2019 represents the TIF administration costs for the fiscal year 2017-2018 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. 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:

- Maple Station has a remaining balance of \$645,764. Full payoff is expected in calendar year 2020.
- Love Field Hotel has a remaining balance of \$10,468. Full payoff is expected in calendar year 2020.

Appendix C – District-wide Set Aside Funds

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

The balance for the District-wide set aside as of the end of FY 2018-2019 is \$771,504. There are no commitments of these funds.

Potential uses as defined by the Increment Allocation Policy includes:

- Gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks.

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