

Oak Cliff Gateway TIF District FY 2019-2020 Annual Report



City of Dallas
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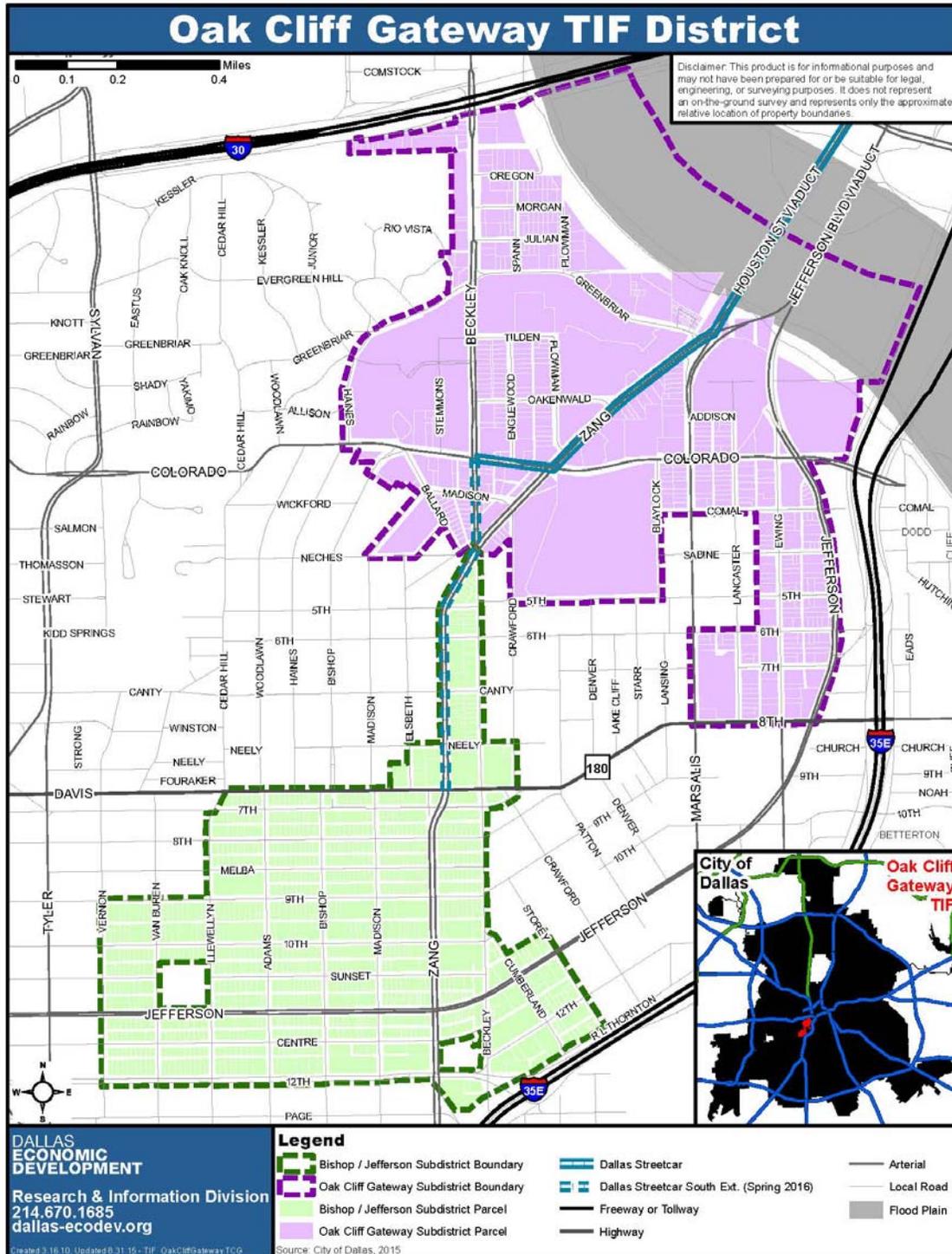
October 1, 2019 to September 30, 2020

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Front cover shows the commercial spaces Krio (left) an Asian-inspired Cajun restaurant and White Rhino (right) a coffee shop that opened in 2020 at Victor Prosper (formerly known as Bishop Arts Station) development at the northwest corner and southwest corner (right) of Zang Boulevard and Davis Street.

Reinvestment Zone Number Three Oak Cliff Gateway Tax Increment Financing District



Mission Statement

The mission of Oak Cliff Gateway Tax Increment Financing District is the promotion of the redevelopment, growth and stabilization of the area. Accompanying goals are (1) growth of the value of the area's tax base through the promotion of residential and retail development and a positive reversal of urban decay through the placement of critical infrastructure improvements; (2) implementation of the pertinent recommendations of the Urban Land Institute (ULI) Study on the tracts of land composing the northern and northwestern portions of the district, and (3) establishment of direct linkages with the Trinity River Corridor and the capitalization of that effort toward growth and increased tax base value in the District.

District Accomplishments

The District was created by City Council Ordinance Number 21466, November 11, 1992. The District was created for a period of twenty years with an expiration date of December 31, 2012. On February 12, 1997, the City Council, by Ordinance Number 23033, approved the project Plan and Reinvestment Zone Financing Plan ("Plan").

In 1998, the District was amended to remove two properties, and in 2005, the Plan was amended to modify the budget to allow for environmental remediation and façade improvements and to allow for the sale of TIF bonds.

The Plan and the District were further amended in 2009 to extend the term of the District for an additional ten years. This amendment increased the budget, returned two previously removed properties back into the District, created a TIF District grant program, and decreased the participation rate of the taxing jurisdictions for the extension period.

In 2014, an expansion of the TIF District and Plan amendment was approved to create two subdistricts within the Oak Cliff Gateway TIF District: (a) Oak Cliff Gateway Sub-District (original district boundary) and (b) the Bishop/Jefferson Sub-District (an expansion area of approximately 193 acres to accommodate future development planned in the Bishop Arts and Jefferson Corridor area). The term of the Oak Cliff Gateway Sub-District was further extended by five years to December 31, 2027, and the termination date for the Bishop/Jefferson Sub-District was established as December 31, 2044.

A TIF development agreement for the Bishop Arts Phase I project was initially approved in 2014 for up to \$5,000,000 in future TIF revenue and subsequently amended. Upon mutual agreement with the developer, the agreement was terminated in 2019. The project was previously supported by a \$2,000,000 economic development grant for land acquisition and pre-development activities approved in 2010 and a City-bond funded streetscape project along Bishop Avenue.

In August 2015, an additional boundary amendment was approved to add approximately 4.9 acres of currently vacant and underutilized land to the Oak Cliff Gateway Sub-District for the development of the Oxygen project. The project, previously approved for TIF District incentives in 2015, did not move forward; therefore, the TIF agreement authorization has expired.

During FY 2015-2016, a development agreement was approved for the Bishop Arts Station project (*currently known as Victor Prosper*), a mixed-use development anchoring the recently opened station along the extended Dallas Streetcar line. A public plaza adjacent to the streetcar stop is also being incorporated into the project. The project was completed in 2018.

The streetscape project for Beckley Avenue and Colorado Avenue completed in 2019 included wide sidewalks, street trees, pedestrian lighting, and crosswalks for Colorado Boulevard from Zang Boulevard to Ballard Avenue, on Zang Boulevard from Colorado Boulevard to Beckley Avenue, and on Beckley Avenue from Zang Boulevard to Colorado Avenue. In addition, select sidewalk areas on Beckley Avenue north of Colorado Boulevard to Greenbriar Lane were repaired. It is funded through a combination of 2006 general obligation bond funds and a Sustainable Development grant from the North Central Texas Council of Governments.

Construction on the first phase of the Oak Cliff Streetcar began in the summer of 2012 and was completed in late 2014. The initial segment operated from Union Station, across the Houston Street Viaduct, along Zang Boulevard and Colorado Boulevard, to Beckley Avenue. In August 2016, Phase II of the Streetcar opened, from Methodist Regional Medical Center to Bishop Arts at Davis Street/Zang Boulevard.

During FY 2019-2020, a TIF development agreement was approved with Dallas Independent School District for TIF District funding for public improvements on and adjacent to Hogg Elementary School. Staff continued coordination efforts for various projects in the District. Projects within the District completed, under construction or in the development stage are shown in the table below.

| Oak Cliff Gateway TIF District Projects¹ | | | | | | |
|--|-----------------------------------|-------------------------------|---------------|---|----------------------------------|-----------------------------------|
| Projects Within TIF District Utilizing TIF Funding | | | | | | |
| Project | Location | Calendar Year Complete | Status | Units/ SF² | Approx. Value³ | TIF Investment⁴ |
| Walgreens | 1306 North Beckley Avenue | 1999 | Complete | 13,833 SF retail | \$2,459,320 | \$34,811 |
| Oak Cliff TIF Infrastructure Project ⁸ | Greenbriar Lane (Beckley to Zang) | 2004 | Complete | N/A | N/A | \$2,251,207 |
| Lake Cliff Tower Residential | 329 East Colorado Boulevard | 2006 | Complete | 54 units | \$11,839,789 | \$4,299,742 |
| Grand Bank Lake Cliff Tower | 305 E. Colorado Boulevard | 2008 | Complete | 6,822 SF commercial | \$1,978,380 | \$0 ⁽⁸⁾ |
| Bishop Colorado Retail Plaza | 1222 North Bishop Avenue | 2009 | Complete | 15,720 SF retail | \$4,575,000 | \$350,000 |
| Zang Triangle ¹⁰ | 390 E. Oakenwald | 2012 | Complete | 256 units 3,000 flex | \$36,000,000 | \$7,250,000 |
| Oaks Trinity (formerly Alexan Trinity) ¹⁰ | 333 E. Greenbriar Lane | 2014 | Complete | 167 units | \$23,250,000 | \$4,000,000 |
| Victor Prosper (Bishop Arts Station) ¹⁰ | 195 & 196 W, Davis Street | 2018 | Complete | 216 units; 27,302 sf retail | \$45,686,920 | \$11,250,000 |
| Subtotal | | | | 693 units 66,677 SF retail/flex/ commercial | \$125,789,409 | \$29,435,760 |

| Projects Within TIF District Not Utilizing TIF Funding⁵ | | | | | | |
|--|--|-------------------------------|--|---|----------------------------------|-----------------------|
| Project | Location | Calendar Year Complete | Status | Units/ SF | Approx. Value³ | TIF Investment |
| The Catering Company | 1407 North Zang Boulevard | 1998 | Complete | 3,614 SF retail | \$506,000 | \$0 |
| K-Clinic Rehab Clinic | 214 W. Colorado Boulevard | 1998 | Complete | 6,876 SF medical office | \$740,000 | \$0 |
| Trinity Basin Preparatory ⁶ | 808 N. Ewing Avenue | 2000 | Complete | 32,500 SF school | \$4,966,000 | \$0 |
| Oak Farms Dairy Expansion | 1114 North Lancaster | 2000 | Complete | 60,000 SF industrial | \$2,196,890 | \$0 |
| Options Real Estate Holdings | 1322 North Beckley Avenue | 2002 | Complete | 2,756 SF office | \$217,550 | \$0 |
| Grand Peaks at Kessler Park | 1520 North Beckley Avenue | 2002 | Complete | 338 units | \$48,900,000 | \$0 |
| John Barr & Associates Expansion | 203 E. Colorado Boulevard | 2003 | Complete | 19,449 SF office | \$977,020 | \$0 |
| Grand Peaks at Founders Park | 1401 North Zang Boulevard | 2004 | Complete | 336 units | \$46,800,000 | \$0 |
| Beckley Properties | 1101- 1121 North Beckley Avenue | 2007 | Complete | 15,282 SF retail/ commercial | \$1,250,100 | \$0 |
| City Credit Union | 126 E. Colorado Boulevard | 2008 | Complete | 3,000 SF commercial | \$1,045,000 | \$0 |
| Trinity Town Homes | 439, 443 East Greenbriar Lane and 401-446 E Trinity River Circle | 2007 | Complete | 23 town home units | \$8,886,822 | \$0 |
| Trinity Town Homes II | 381 East Greenbriar Lane | TBD | 8 units Completed; 9 under const. 43 planned | 60 town home units | \$22,000,000 | \$0 |
| Methodist Medical Hospital – Pavilion III | 1441 N. Beckley Avenue | 2008 | Complete | 109,774 SF medical office | \$15,775,600 | \$0 |
| Methodist Medical Hospital - Sammons Trauma & Critical Care Tower ⁹ | 1441 N. Beckley Avenue | 2014 | Complete | 248,000 SF emergency and trauma care center | \$106,766,634 | \$0 |
| Baylor Institute for Rehabilitation | 222 E Colorado Boulevard | 2014 | Complete | 2,564 sf rehabilitation clinic | \$425,000 | \$0 |

| | | | | | | |
|--|---|------|---------------------|---|-------------------------|------------------|
| Papa John's Pizza | 1127 N Beckley | 2014 | Complete | 1,200 sf restaurant | \$430,000 | \$0 |
| Jefferson Tower redevelopment (activation of 1 st & 2 nd Floors) | 301, 351, 375 W. Jefferson Blvd. | 2015 | Complete | 17 live/work lofts; 15,869 sf upgraded retail | Added value \$3,056,270 | \$0 ⁷ |
| Bishop Arts Ph I retail/restaurant (<i>Exxir Capital</i>) | Blocks at Bishop Ave./Melba St./Madison St./9 th St. | 2018 | Complete | 28,212 SF | \$5,616,260 | \$0 ⁷ |
| Bishop Arts Ph I – Mixed Use (<i>Exxir Capital</i>) | 321 W. 9th | 2021 | Under construction | 246 units; 9,756 sf retail | \$48,076,512 | \$0 ⁷ |
| Novel Bishop Arts Apartments | 111 W Davis | 2019 | Complete | 302 units; 22,572 sf retail | \$35,826,320 | \$0 |
| Bishop Hi Line | 305 Melba; 431 Melba | 2018 | Complete | 118 units | \$17,780,480 | \$0 |
| CVS | 108 W. Davis | 2018 | Complete | 10,000 sf retail | \$3,084,390 | \$0 |
| Elsbeth Townhomes | 600 block – Finley Court | 2018 | Complete | 16 units | \$6,031,352 | \$0 |
| Bishop Arts Tenth Street Condos | 427 W. 10 th Street | 2018 | Complete | 12 units | \$3,523,560 | \$0 |
| Westwood at Bishop Arts Condos | 422 W. 9 th Street | 2019 | Complete | 7 units | \$3,017,770 | \$0 |
| Restaurant conversion (<i>historic home of former Mayor George Sergeant</i>) | 635 N Zang Blvd. | 2020 | Renovation Complete | 3,725 sf restaurant | \$771,360 | \$0 |
| Skyline Trinity Apartments | 1900 N. Beckley Ave | 2020 | Complete | 258 units | \$52,792,489 | \$0 |
| Magnolia on Zang II | 830 N. Zang Boulevard | 2020 | Under construction | 64 units | \$9,071,429 | \$0 |
| Exxir Treehaus Apartments | 211 W. 10 th Street | 2020 | Under construction | 34 units | \$4,608,910 | \$0 |
| Bishop Hi Line Phase II | 120 N. Madison | 2021 | Under construction | 112 units; 4,257 sf retail | \$23,957,720 | \$0 |
| Subtotal | | | | 1,943 units 599,506 SF commercial | \$474,488,528 | \$0 |

| Total - All Projects Utilizing and Not Utilizing TIF Funding | | | |
|--|--------------------------------------|----------------------|---------------------|
| Total | 2,636 units 666,183 SF commercial | \$600,277,937 | \$29,435,760 |
| <p>¹ All information updated as of September 30, 2020.</p> <p>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.</p> <p>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, the demolition of structures and/or any exemption value is netted out.</p> <p>⁴ Principal amount not to be exceeded per the development agreement for projects not yet closed out. TBD indicates that development agreement has not yet been adopted. Asterisk indicates investment also includes interest not shown.</p> <p>⁵ Selected significant projects included.</p> <p>⁶ Tax-exempt property.</p> <p>⁷ Includes other incentives not shown. Contact City of Dallas Office of Economic Development for more information.</p> <p>⁸ Infrastructure funded as a part of the \$4.1 million for Lake Cliff Tower.</p> <p>⁹ Non-taxable value; includes \$75M for construction and \$30M for equipment and finish-out.</p> <p>¹⁰ Per the TIF program mixed-income housing requirement, the project is providing (or will set-aside) at least 20% of units as affordable for 15 years.</p> | | | |

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 639 units have been built to-date with affordability requirements, and 128 are currently set-aside as affordable. The Lake Cliff Tower project with 54 units was built prior to mixed-income housing requirements for the District.

A total of 1,879 residential units have been completed overall. Another 757 units are under construction or planned without any TIF subsidy anticipated.



Victor Prosper Apartments completed 2018 includes affordable units.

| Projects Adjacent to the Oak Cliff Gateway TIF District | | | | | | |
|---|---|------------------------|----------|---|---------------------|----------------|
| Project | Location | Calendar Year Complete | Status | Units/ SF | Approx. Value | TIF Investment |
| Dallas Orthopedic Surgery Associates | 810 North Zang Boulevard | 2006 | Complete | 18,000 SF medical office | \$1,683,220 | \$0 |
| Perry Homes | 1130-1148 and 1203-1215 North Bishop Avenue | 2006 | Complete | 15 town home units | \$5,364,680 | \$0 |
| Lake Cliff Medical, L.P. | 815 North Beckley Avenue | 2007 | Complete | 7,500 SF medical office | \$1,145,380 | \$0 |
| Magnolia at Zang & Chijmes boutique hotel | 901 N. Zang Boulevard | 2017 | Complete | 65 units; 11,635 sf 12 hotel rooms/ event space | \$6,586,660 | \$0 |
| | | | | Total | \$14,779,940 | \$0 |



Trinity Skyline Apartments at 1900 N. Beckley Ave. nearly completed in 2020.

District Initiatives

The City and community partners have been engaged in several District-wide initiatives to create streetscape connections and transit opportunities described in more detail below.

| Infrastructure Projects in the Oak Cliff Gateway TIF District Using Other Sources of Funding | | | | | | |
|--|--|------------------------|--|--|---------------------------------|---------------------|
| Project | Location | Calendar Year Complete | Status | Project Description | Source of Funds | Amount |
| Colorado Boulevard | I-35 to Blaylock Street | 2002 | Complete | Streetscape: Paving, Lighting, Trees and Irrigation | 1995 Bond Funds | \$500,000 |
| Colorado/Beckley Sidewalk Enhancement Project | Streets around Methodist Hospital | 2019 | NCTCOG issued notice to proceed. Construction began early 2018 and completed in 2019 | Streetscape: Paving, Lighting, Trees and Irrigation | 2006 Bond Funds | \$1,600,000 |
| | | | | | NCTCOG Sustainable Devel. Grant | \$1,750,000 |
| Oak Cliff Streetcar Phase I | Union Station to Methodist Regional Medical Center | 2014 | Complete | Route runs from Union Station, across Houston St Viaduct, along Zang Boulevard and Colorado Boulevard, to Beckley Avenue | TIGER I Grant | \$26,000,000 |
| | | | | | RTR Local Funds | \$13,600,000 |
| | | | | | DART Love Field | \$9,000,000 |
| Oak Cliff Streetcar Phase II | Methodist Regional Medical Center to Bishop Arts | 2016 | Complete | Route runs from Methodist Regional Medical Center, south on Beckley Avenue, then south on Zang Boulevard to Davis | Texas Mobility Funds | \$15,000,000 |
| | | | | | Total | \$67,450,000 |

Value and Increment Revenue Summary

The assessed 2020 tax value was \$365,237,609 for the Oak Cliff Gateway Sub-District. This represents an increase of \$324,526,946 or 797% over the adjusted base year value and an increase of 20% over last year's final value. The District was expanded in 2014 to include a new Bishop Arts/Jefferson Sub-District with an assessed 2020 tax value of \$418,036,864, an increase of \$312,894,785 or 298% over the base year and an increase of 21% over last year. The combined 2020 taxable value for the entire District is approximately \$783,274,473, a 437% increase over the adjusted base taxable value.

With the participation of the City and Dallas County, this increase will result in the 2021 collection of approximately \$4,817,119 total in incremental revenue for the District for the 2020 tax year.

Objectives, Programs, and Success Indicators

The Oak Cliff Gateway TIF District was established by Ordinance Number 21466 on November 11, 1992. The Oak Cliff Gateway TIF District expiration date was set as December 31, 2012, but the District has been extended for an additional 15 years to December 31, 2027. The TIF Project Plan and Reinvestment Zone Financing Plan was originally approved by Ordinance Number 23033 on February 12, 1997. The most recent TIF Project Plan and Reinvestment Zone Financing Plan amendment included revised development goals, listed below, for the District:

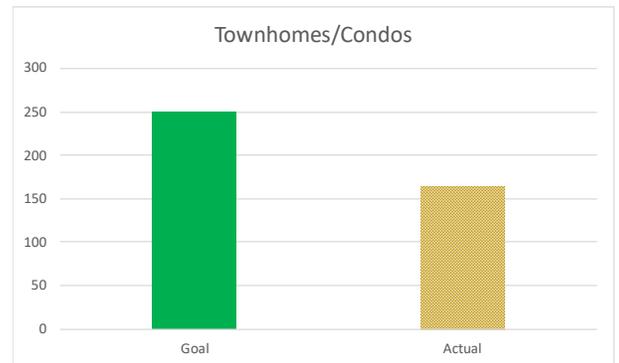
The following specific objectives and development program set the framework for the planned public improvements within the Oak Cliff Gateway TIF District and, in italics, specific actions addressing these objectives:

- Improve the infrastructure within and adjacent to the District to promote investment.

Street reconstruction projects on Beckley Avenue, Zang Boulevard, Greenbriar Lane, Tilden Street, Jefferson Boulevard and Colorado Boulevard (Blaylock Street to I-35) are completed. Median improvements and streetscape were completed along both sides of Zang Boulevard from Colorado Boulevard to Oakenwald and on Colorado Boulevard itself as a part of the Lake Cliff Tower development. Infrastructure and streetscape improvements were completed with the Bishop Colorado Retail Plaza project. Streetscape improvements along Zang Boulevard, adjacent to the Zang Triangle project, were completed in 2012. Funding was secured for streetscape projects near Methodist Hospital including \$1,600,000 in 2006 City Bond funds and \$1,750,000 in 2009 NCTCOG Sustainable Development grant funding. The improvements were completed in 2019. Oak Cliff streetcar projects connecting downtown to the Methodist Hospital area and extending to Bishop Arts is complete. City bond program funding (2006 and 2012) totaling \$4.1 million was directed to streetscape improvements in conjunction with the Bishop Arts Phase I project.

- The amended Plan has a goal of adding 1,572,556 square feet of new residential construction (both single family/townhome units and apartment units). Previously the goal was to add 2,500 market rate apartments and 250 townhome units.

Since the start of the district, a total of 1,750 apartment units have been constructed. An additional 714 apartment units are under construction. A total of 129 townhome/condo units have been completed and another 43 are planned.



- The amended Plan goal is to add 393,139 square feet of new commercial construction, to include retail, restaurant, and office space

To date 660,377 square feet of retail/commercial space or office space including medical office facilities has been added in the district and another 13,481 square feet is planned as part of the new Bishop Arts projects (exceeding the Plan goal). Alexan Trinity adds 6 additional live/work units, for a total of 8,493 square feet of potential commercial space.



Year-End Summary of Meetings

The Oak Cliff Gateway TIF District Board of Directors met twice during FY 2019-2020:

The Board includes up to 5 representatives to be appointed by the Council and one each appointed by the governing bodies of Dallas County, Dallas County Community College District, Dallas County Hospital District, and Dallas ISD.

The following members represent the City on the Board:

- Christopher Aslam, Chair - City representative, (attended 2 of 2 meetings)
- James Sharp, Vice-Chair - City representative, (attended 2 of 2 meetings)
- Alexander Kosarow - City representative, (attended 0 of 2 meetings)
- Gregory McCormack – City representative (attended 1 of 2 meetings)
- Tom Krampitz – City representative (attended 2 of 2 meetings)

The following board members represent the other taxing jurisdictions:

- Orlando Alameda – DISD representative (attended 2 of 2 meetings)
- Rick Loessberg – Dallas County representative (attended 1 of 2 meetings)
- Steve Park – DCCCD representative (attended 1 of 2 meetings)
- Joe Mayer - DCHD representative (attended 2 of 2 meetings)

During FY 2019-2020, the City Council approved two items directly associated with the Oak Cliff Gateway TIF District and one item initiated by the City's Housing Department located within the District.

- On February 26, 2020, the City Council approved Resolution Number 20-0332 accepting the FY 2018-2019 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Three (Oak Cliff Gateway TIF District), submitted by the Oak Cliff Gateway 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 April 22, 2020, the City Council approved Resolution Number 20-0641 authorizing (1) a development agreement with Dallas Independent School District ("DISD") for the dedication of TIF funding in an amount not to exceed \$785,000.00 in support of public improvements including but not limited to streetscape, ornamental fencing, and a pedestrian path on and adjacent to Hogg Elementary School located at 1144 N. Madison Avenue in the Oak Cliff Gateway TIF District; and (2) an increase in appropriations in an amount not to exceed \$785,000.00 in the Oak Cliff Gateway TIF District Fund.

- May 27, 2020, the City Council approved Resolution Number 20-0866 authorizing a public hearing to receive comments regarding an application by Gateway Oak Cliff, LP, or its affiliate to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Low Income Housing Tax Credits for the Gateway Oak Cliff located at 400 South Beckley Avenue; and, at the close of the public hearing adopt a Resolution of No Objection for Gateway Oak Cliff, LP, or its affiliate, related to its application to TDHCA for the development of the Gateway Oak Cliff - Financing: No cost consideration to the City.

Budget and Spending Status

| Oak Cliff Gateway TIF District Projected Increment Revenues to Retire TIF Fund Obligations | | | |
|--|-------------------------|---------------------|---------------------|
| Category | TIF Budget ¹ | Allocated | Balance |
| Oak Cliff Gateway Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants | \$33,674,483 | \$18,631,326 | \$15,043,157 |
| Bishop/Jefferson Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants | \$30,188,111 | \$11,250,000 | \$18,938,111 |
| Educational/Training Facilities | \$742,369 | \$742,369 | \$0 |
| Administration and implementation ² | \$2,766,552 | \$1,142,417 | \$1,624,135 |
| Total Project Costs | \$67,371,515 | \$31,766,112 | \$35,605,403 |
| ¹ Budget shown above in current dollars; TIF Project Plan shows the budget in net present value. ² TIF administration costs shown are expended through FY 2019-2020. | | | |

| Oak Cliff Gateway TIF District Amended Project Plan Budget | |
|---|------------------------|
| Category | TIF NPV Budget* |
| Oak Cliff Gateway Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants | \$9,116,977 |
| Bishop/Jefferson Sub-district: <ul style="list-style-type: none"> • Public Infrastructure Improvements <i>including Streets, Streetscape, Water, Wastewater, Utility Burial</i> • Façade Improvements • Environmental Remediation and Demolition • Pedestrian Linkages/Lighting • Economic Development Grants | \$18,554,050 |
| Educational/Training Facilities | \$200,000 |
| Administration and Implementation | \$750,000 |
| Total | \$28,621,027 |
| <i>* As approved in the most recent amended Project Plan and Reinvestment Zone Financing Plan.</i> | |

| Oak Cliff Gateway TIF District M/WBE Participation | | | | |
|--|---|------------------------------|--|-----------|
| Project | Contractor | Contract Award Amount | Minority Participation in Dollars (% of contract) | |
| Oak Cliff TIF Project | Tiseo Paving Company | \$1,964,830 | \$383,731 | (19.53%) |
| Lake Cliff Tower Project | CST Environmental | \$648,800 | \$533,768 | (82.27%) |
| Lake Cliff Tower Project | Mid-Continental Phase II-IV | \$2,184,825 | \$535,500 | (24.51%) |
| Lake Cliff Tower Streetscape | Texas Standard | \$363,530 | \$363,530 | (100.00%) |
| Zang Triangle | Billy Nabors Demolition and Mission Site Services | \$1,537,981 | \$652,841 | (42.45%) |
| Alexan Trinity | Salcedo Group Mission Site Services | \$369,396 | \$225,130 | (60.95%) |
| Bishop Arts Station (<i>Victor Prosper</i>) | Galindo & Boyd Oscar Orduno, Inc. Buyers Barricades LKT & Associates Ricochet Fuel Distributors, Inc. Liberty Sand & Gravel KLP Commercial Cowtown Redimix, Inc. | \$2,680,769 | \$952,508 | (35.53%) |
| Totals (% of all contracts) | | \$9,750,131 | \$3,647,008 | 37.4% |
| <p>1. M/WBE participation is shown above for public improvements. It was not applicable for Walgreens. 2. The City's Business Inclusion and Development program provides goals for minority and women-owned business participation.</p> | | | | |

FY 2019-2020 Work Program

- Continue coordination efforts for implementation of current and potential development projects.
- Continue to actively market the District with emphasis on high-density mixed-use development with a sustainable mix of retail, commercial/office and residential development in key target areas.
- Continue to coordinate with the City of Dallas Public Works Department and Transportation Department on the completion of infrastructure improvements funded by the City's 2006 Bond Program and the North Central Texas Council of Government's Sustainable Development Grant for the area.

- Continue to evaluate updated plans for the Horseshoe Project, the Texas Department of Transportation reconstruction of I-35 and planned deck park improvements for potential development opportunities.
- Strategic planning for the District to encourage alternative modes of transportation and connections to parks/trails.

Pending TIF Items

- Consideration of the FY 2019-2020 Oak Cliff Gateway TIF District Annual Report and a recommendation to the City Council for approval.

Appendix A – FY 2019-2020 Financials

City of Dallas, Texas
 Oak Cliff Area Gateway Tax Increment Financing District
 Reinvestment Zone Number Three
 As of September 30, 2020

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:

| | |
|--|--|
| | \$27,732 Interest Income |
| | \$3,722,181 Ad Valorem Taxes (Collected in FY 2019-20 based on 2019 tax year Final Tax Roll) |
| | \$3,749,912 Total Revenue |

2. Amount and purpose of expenditures from the fund:

| | |
|--|--|
| | \$107,795 Administrative Expense - FY2018-2019 (\$47,304) & FY2019-2020 (\$60,491) |
| | \$274,330 Non-Capital outlay* |
| | \$3,132,883 Capital outlay * |
| | \$0 Additional Subsidy in Form of Grant (in lieu of interest expense) |
| | \$3,515,008 Total Expenditures |

* These expenditures are for the following Projects:

| | |
|---------------------------|---|
| Bishop Arts Station Proj. | \$3,407,213 Public Infrastructure, Pedestrian Linkages & Lighting |
| Total | \$3,407,213 |

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

Oak Cliff Gateway TIF District has incurred no bonded indebtedness as of September 30, 2020.

b. The zone has the following contingent obligations reimbursed from available TIF funds as of September 30, 2020:

| <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</u> | | <u>Principal</u> | <u>Accrued</u> | | |
| | | <u>Add'l Subsidy (1)</u> | <u>Total Due</u> | | <u>Add'l Subsidy (1)</u> | <u>Total Paid</u> | |
| Jefferson at Kessler Heights | \$1,500,000 | \$676,404 | \$2,176,404 | \$1,500,000 | \$676,404 | \$2,176,404 | \$0 |
| Lake Cliff Tower Redevelopment | \$3,950,086 | \$862,205 | \$4,812,291 | \$3,950,086 | \$862,205 | \$4,812,291 | \$0 |
| Bishop Colorado Retail Plaza | \$350,000 | \$0 | \$350,000 | \$350,000 | \$0 | \$350,000 | \$0 |
| Zang Triangle Project | \$7,250,000 | \$0 | \$7,250,000 | \$7,250,000 | \$0 | \$7,250,000 | \$0 |
| Alexan Trinity Project | \$4,000,000 | \$0 | \$4,000,000 | \$4,000,000 | \$0 | \$4,000,000 | (\$0) |
| Bishop Arts Station Project | \$11,250,000 | \$0 | \$11,250,000 | \$4,685,590 | \$0 | \$4,685,590 | \$6,564,410 |
| Totals | \$28,300,086 | \$1,538,609 | \$29,838,695 | \$21,735,677 | \$1,538,609 | \$23,274,285 | \$0 |

c. The Zone entered into a development agreement with Lang Partners, LLC for the Zang Triangle project in an amount not to exceed \$7,250,000 and began reimbursing the developer in fiscal year 2012. A final payment for \$198,487 was made to the developer as of September 30, 2017.

d. The Zone entered into a development agreement with ATA Apartments Limited Partnership for the Alexan Trinity project in an amount not to exceed \$4,000,000. The zone began reimbursements in fiscal year 2015 and a final payment was made in fiscal year 2019.

e. The Zone entered into a development agreement in 2014 with Bishop Arts, LLC for the Bishop Arts Phase I project in an amount not to exceed \$5,000,000.

An additional \$25,000 was authorized in 2015 towards the cost of a parking study. The agreement was terminated in 2019 and therefore no longer a TIF obligation.

f. The Zone previously received authorization to enter into a development agreement with RWI Green Development LLC for the Oxygen project in an amount not to exceed \$4,600,000; however, the project has not moved forward; therefore the agreement authorization expired.

g. The Zone entered into a development agreement with Alamo Manhattan Bishop Arts I, LLC for the Bishop Arts Station project in an amount not to exceed \$11,250,000. The Zone began reimbursements in fiscal year 2019.

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

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

| Taxing Jurisdiction | Taxable Value 2020 | Base Years | |
|--|--------------------|-------------------------|----------------------------|
| | | 1992, 2014 & 2015 Value | Est. Captured Value 2020** |
| City of Dallas-Zone A & B | \$363,368,489 | \$40,097,623 | \$323,270,866 |
| City of Dallas-Zone C | \$1,869,120 | \$613,040 | \$1,256,080 |
| City of Dallas-Bishop/Jefferson Sub-district | \$418,036,864 | \$105,142,079 | \$312,894,785 |
| Dallas County-Bishop/Jefferson Sub-district | \$419,283,388 | \$105,090,479 | \$314,192,909 |

** Based on Certified Taxable Values. Final values will be determined on February 01, 2021.

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

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

| Taxing Jurisdiction | Amount of | |
|--|----------------------|-----------------------------|
| | Assessment Per \$100 | Estimated 2020 Increment*** |
| City of Dallas-Zone A & B | 0.77630 | \$2,133,119 |
| City of Dallas-Zone C | 0.77630 | \$8,288 |
| City of Dallas-Bishop/Jefferson Sib-district | 0.77630 | \$2,186,102 |
| Dallas County-Bishop/Jefferson Sib-district | 0.23974 | \$489,610 |
| Total for all Jurisdictions | \$2.56864 | \$4,817,119 |

*** Participation rates are as follows:

| Taxing Jurisdiction | Rate | Tax Years |
|--|------|-----------|
| City of Dallas-Zone A & B | 85% | 2009-2027 |
| City of Dallas-Zone C | 85% | 2016-2027 |
| City of Dallas-Bishop/Jefferson Sub-district | 90% | 2015-2044 |
| Dallas County-Bishop/Jefferson Sib-district | 65% | 2015-2034 |

B. The total amount of estimated tax increment to be billed for the 2020 tax year is \$4,817,119. For the 2019, the zone collected increment of \$3,722,181.

City of Dallas, Texas
Oak Cliff Area Gateway Tax Increment Financing District Fund
Balance Sheet as of September 30, 2020 (Unaudited)
With Comparative Totals for September 30, 2019, 2018, 2017, and 2016 (Audited)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|--------------------|--------------------|------------------|
| Assets: | | | | | |
| Pooled cash and cash equivalents | \$2,003,676 | \$3,005,443 | \$2,708,098 | \$2,109,737 | \$305,489 |
| Interest receivable | \$1,597 | \$3,257 | \$6,220 | \$5,205 | \$517 |
| Total assets | \$2,005,273 | \$3,008,701 | \$2,714,318 | \$2,114,942 | \$306,006 |
| Liabilities and Fund Balance (Deficit): | | | | | |
| Liabilities: | | | | | |
| Accounts and contracts payable | \$0 | \$1,278,377 | \$1,989,660 | \$0 | \$0 |
| Due to general fund | \$105,409 | \$65,363 | \$20,351 | \$32,516 | \$32,516 |
| Advances from developers | \$0 | \$0 | \$0 | \$0 | \$0 |
| Accrued liability | \$0 | \$0 | \$0 | \$195,608 | (\$2,879) |
| Total liabilities | \$105,409 | \$1,343,741 | \$2,010,011 | \$228,124 | \$29,637 |
| Fund Balance (Deficit): | | | | | |
| Fund Balance (Deficit) | \$1,899,864 | \$1,664,960 | \$704,307 | \$1,886,818 | \$276,369 |
| Total Liabilities and Fund Equity | \$2,005,273 | \$3,008,701 | \$2,714,318 | \$2,114,942 | \$306,006 |

Oak Cliff Area Gateway Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2020 (Unaudited)
With Comparative Totals for September 30, 2019, 2018, 2017, and 2016 (Audited)

| | <u>ITD</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|---------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| Revenues: | | | | | | |
| Tax increment-Governmental | \$17,373,402 | \$3,355,864 | \$2,473,696 | \$1,745,198 | \$1,503,787 | \$1,324,054 |
| Tax increment-Intergovernmental | \$8,072,347 | \$366,316 | \$180,555 | \$412,288 | \$345,443 | \$299,110 |
| Interest income | \$501,090 | \$22,760 | \$26,056 | \$31,046 | \$14,425 | \$3,886 |
| Grant from City/Developer contribution | \$309,480 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net increase(decrease) in fair value of investments | \$13,891 | \$4,972 | \$13,938 | (\$7,325) | (\$4,015) | \$242 |
| Total revenues | \$26,270,211 | \$3,749,912 | \$2,694,245 | \$2,181,206 | \$1,859,640 | \$1,627,292 |
| Expenditures: | | | | | | |
| Administrative expenses | \$1,142,417 | \$107,795 | \$45,415 | \$0 | \$50,705 | \$78,940 |
| Non-Capital outlay | \$12,974,542 | \$274,330 | \$409,800 | \$2,788,836 | \$198,487 | \$1,242,860 |
| Capital outlay | \$8,877,430 | \$3,132,883 | \$1,278,377 | \$574,881 | \$0 | \$0 |
| Interest and fiscal charges | \$1,376,146 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total expenditures | \$24,370,535 | \$3,515,008 | \$1,733,592 | \$3,363,717 | \$249,192 | \$1,321,801 |
| Excess (Deficiency) of Revenues over Expenditures | \$1,899,676 | \$234,904 | \$960,653 | (\$1,182,511) | \$1,610,449 | \$305,491 |
| Fund balance (Deficit) at beginning of year | | | | | | |
| as previously reported | \$0 | \$1,664,960 | \$704,307 | \$1,886,818 | \$276,369 | (\$29,122) |
| Prior period restatement | \$188 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fund balance (Deficit) at beginning of year, as restated | \$188 | \$1,664,960 | \$704,307 | \$1,886,818 | \$276,369 | (\$29,122) |
| Fund balance (deficit) at end of year | \$1,899,864 | \$1,899,864 | \$1,664,960 | \$704,307 | \$1,886,818 | \$276,369 |

Note: Fiscal year 2019-20 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
Oak Cliff Gateway Area Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2020
(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 \$2,766,552 (in current \$) over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the General Fund in fiscal year 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. All project costs resulting in capital improvements that are owned by the City of Dallas are capitalized.
6. "Due to general fund" amount of \$105,409 at September 30, 2020 represents the TIF administration costs that have been earned for the fiscal year, \$47,304 for the fiscal year 2018-19, and \$58,105 for fiscal year 2019-20, but will be reimbursed to the General Fund in future years based on the availability of TIF funds. Note that these administrative costs do not include billing to other City departments.
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 obligations.

- The Bishop Arts Station project is completed and approved for TIF funding up to \$11,250,000 upon completion of the project requirements. An initial payment of \$1,278,377 was made in 2019 and a subsequent payment of \$3,407,213 was made in 2020. Based on current projections that include general increment from the District, the remaining \$6,564,410 obligation could be fully paid by tax year 2022 (calendar year 2023).
- An agreement with Dallas Independent School District (DISD) for improvements on and adjacent to Hogg Elementary School has a \$785,000 obligation that includes existing cash set-side as part of the Educational/Training Facilities category in the TIF District Budget in the amount of \$742,369 and additional funding of \$42,631 from existing District-Wide Set-Aside funds for streetscape improvements.

Appendix C – District-Wide Set-Aside Funds

The TIF Increment Allocation Policy adopted by the TIF Board for the Oak Cliff Gateway TIF District, provides that, following the full reimbursement of the Zang Triangle Project, the TIF Board may set aside 15% of the Oak Cliff Gateway Sub-District 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. After the termination of the Oak Cliff Gateway Sub-District in 2027 (calendar year 2028), 15% of the Bishop/Jefferson Sub-District will be set aside for District-Wide Improvements.

A portion of the TIF funding approved for Hogg Elementary School improvements includes \$42,631 from existing District-Wide Set-Aside funds towards streetscape improvements.

As of end of FY 2019-2020, the District-Wide Set-Aside balance totals \$979,495. Staff will be presenting a request in fall 2020 for the potential use of these funds in support of the Dallas Streetcar during fiscal year 2020-2021.