

Exhibit A

**Cypress Waters TIF District
FY 2019-2020
Annual Report**



Source: Billingsley Company



City of Dallas

Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
(214) 670-1685

www.dallas-ecodev.org/redevelopment

October 1, 2019 to September 30, 2020

Reinvestment Zone Number Nineteen Cypress Waters Tax Increment Financing District

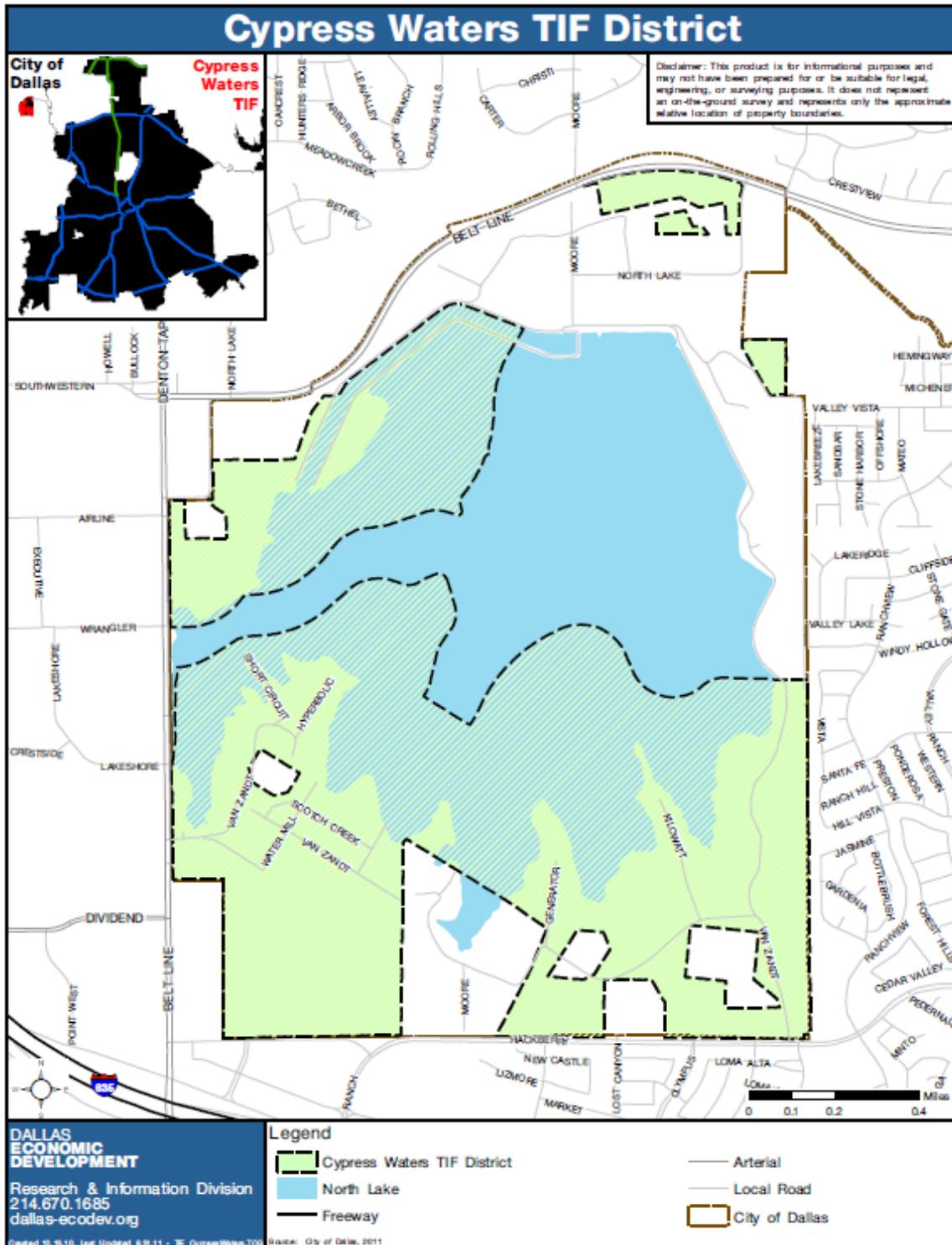


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Mission Statement

The Cypress Waters Tax Increment Financing (TIF) District (the “District”) represents the outgrowth of the City of Dallas’ effort to provide a model for supporting the development of land near DFW Airport and to take full advantage of the planned expansion of the DART light rail system along the Cotton Belt Line.

The Cypress Waters TIF District was established on December 8, 2010 to encourage the initial development of a large tract of undeveloped land within the city of Dallas (approximately 1,661 acres in total) surrounding North Lake. This District promotes the creation of pedestrian-oriented, traditional neighborhood development (TND) containing multifamily and residential development, a potential senior housing component, pedestrian-oriented retail development, offices, and additional commercial development.

The Dallas City Council established the Cypress Waters TIF District by Ordinance Number 28074 on December 8, 2010. The Cypress Waters District began collecting funds on January 1, 2012, and it is scheduled to terminate on December 31, 2040 (including collection of the 2040 increment in calendar year 2041 and any related matters to be concluded in 2041) or when the full budget has been collected or when all of the District’s obligations have been retired. The City of Dallas and Dallas County are the two participating jurisdictions. The City started to participate at 85% in 2012. The County’s participation is 55% from 2014 to 2033 or until the County’s participation reaches its budget limit of \$10,500,000 (NPV).

In 2015, City Council amended the District’s Final Plan to remove approximately 28 acres on the northern end of the District, making the estimated new base \$71,317. City Council also reduced the budget from \$65,698,583 to \$25,779,665 NPV, 2010 dollars. The new budget provided for Cypress Waters Phases 1 and 2 TIF infrastructure projects, construction of a temporary public safety building within the District, a budget line item for a future permanent public safety building, administration expenses, and funding to support a proposed interlocal agreement with the City of Irving to more efficiently provide water service to the District.

District Accomplishments

On June 24, 2020, City Council approved an increase of the Public Safety Improvements line item of the District’s budget from \$10,000,000 to \$12,300,000 (total dollars) to support the construction of a Public Safety Building/Fire Station 58 in the Zone. At the same Council meeting, a development agreement with Billingsley LD, Ltd. was authorized by City Council to facilitate construction and subsequent transfer of ownership of the Public Safety Building/Fire Station 58 to the City of Dallas.

The proposed Cypress Waters Public Safety Building/Fire Station 58 (a minimum of 16,800 square feet in size) will house Dallas Fire Rescue (office, living quarters, and apparatus storage space), Dallas Police Department (small office space), and a small

space for the community. A fire tower will also be constructed on the site. Upon completion, the Developer will convey the land (at no cost to the City) and the facility to the City of Dallas. The City will provide annual TIF payments to the Developer after all conditions of payment have been satisfied. Completion of construction is anticipated on or before July 31, 2022. The location of the Public Safety Building is shown in red below.



District Projects

Projects Within the Cypress Waters TIF District Utilizing or Supported by TIF Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Cypress Waters Phase 1 <i>Public Infrastructure Improvements</i>	Cypress Waters Blvd. & Chapel Oaks Dr., northeast of Belt Line and Hackberry Rd.	2014	Complete	N/A	N/A	\$9,527,524*
Parsons Green I <i>Supported by Phase 1 Public Improvement Project</i>	3325 Scotch Creek Dr. 3330 Scotch Creek Dr.	2014	Complete	65 res. units	\$14,254,250	\$0
Scotch Creek <i>Supported by Phase 1 Public Improvement Project</i>	3211 Scotch Creek Dr. 3220 Scotch Creek Dr.	2014	Complete	608 res. units	\$68,131,570	\$0
Sycamore Park <i>Supported by Phase 1 Public Improvement Project</i>	9190 Cypress Waters Blvd.	2014	Complete	Included in Scotch Creek	\$18,168,430	\$0
Parson's Green II Townhomes	3451 Chapel Oaks Dr.	2016	Complete	141 res. units	\$30,920,750	\$0
Cypress Waters Phase 2 <i>Public Infrastructure Improvements</i>	Cypress Waters Blvd. and Saintsbury St.	2015	Complete	N/A	N/A	\$6,522,398*
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8950 Cypress Waters Blvd.	2015	Complete	175,585 sf office	\$27,900,000	\$0
Multi-Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8951 Cypress Waters Blvd.	2015	Complete	187,710 sf office	\$28,995,000	\$0
Multi-Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8840 Cypress Waters Blvd.	2015	Complete	166,140 sf office	\$25,360,000	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	9001 Cypress Waters Blvd.	2016	Complete	214,520 sf office	\$34,030,000	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	3001 Hackberry Rd	2016	Complete	327,183 sf office	\$50,524,920	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	9111 Cypress Waters Blvd.	2017	Complete	217,000 sf office	\$35,310,000	\$0
Signet Repair Center	9121 Watermill Rd.	2017	Complete	31,000 sf office	\$3,996,420	\$0
Cypress Waters Public Safety Building/Fire Station 58	9393 Watermill Rd	2022	Under Design	16,800 sf public bldg	12,300,000	\$12,300,000
Subtotal				814 res. units 1,161,138 sf office 16,800 sf public bldg	\$349,891,340	\$28,349,922

Projects Within the Cypress Waters TIF District Not Utilizing or Supported by TIF Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Signet Jewelers/Zales Campus	9797 Rombauer Rd	2018	Complete	250,000 sf office	40,050,000	\$0
The Sound Retail	Olympus Blvd and Wharf Rd	2018	Complete	35,000 sf retail	\$4,400,000	\$0
The Wharf at The Sound	9655 Wharf Rd	2018	Complete	296 res. units	\$49,039,410	\$0
Bleecker Street at The Sound	3333 Bleecker St	2018	Complete	243 res. units	\$34,794,850	\$0
Brinker International	3000 Olympus Blvd.	2018	Complete	216,400 sf office	\$34,750,000	\$0
Multi-Tenant Office Building	3100 Olympus Blvd.	2018	Complete	250,000 sf office	\$39,099,860	\$0
Nokia of America Corporation	3201 Olympus Blvd	2018	Complete	250,000 sf office	\$41,225,000	\$0
Multi-Tenant Office Bldg	3200 Olympus Blvd	2020	Complete	250,000 sf office	\$34,719,870	\$0
Harpers Bay at The Sound	3203 Mulberry Rd	2019	Complete	272 res. units	\$37,015,370	\$0
Byron Bay at The Sound	9707 Harpers Rd	2019	Complete	262 res. units	\$33,303,790	\$0
Bleeker Townhomes	3301 Olympus Blvd	2020	Complete	50 res. units	\$3,921,870	\$0
Rombauer Townhomes	9595 Rombauer Rd	2020	Complete	14 res. units	\$4,000,000	\$0
Multi-Tenant Office Bldg	3401 Olympus Blvd	2020	Complete	420,000 sf office	\$27,015,000	\$0
Subtotal				1,139 res. units 1,636,400 sf office 35,000 sf retail	\$383,335,020	\$0
Total				1,953 res. units 2,797,538 sf office 35,000 sf retail 16,800 sf public bldg	\$733,226,360	\$28,349,922

¹ All information updated as of September 30, 2020.

² Based upon either the TIF application, required minimum stated in the development agreement or project information from outside sources. May be updated for completed projects based on actual unit mix and square footage.

³ Reflects 1) DCAD value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction.

⁴ Principal amount not to be exceeded per the development agreement. Asterisk indicates TIF investment does not include interest.

Note:

- Dallas Water Utilities has committed over \$2.2 million to water and wastewater infrastructure improvements within the District.

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in residential 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. In this District, four residential projects were supported by TIF funding. Of the 814 residential units constructed with the support of TIF funding, 163 (20%) have been set-aside as affordable.

Value and Increment Revenue Summary

The Cypress Waters TIF District's adjusted base tax value for 2010 was \$71,437. This base value reflects final adjusted 2010 values for parcels in the District. The District's 2020 assessed tax value, as determined by the Dallas Central Appraisal District, is \$749,962,844. This represents an increase of approximately \$749,891,407 (1,049,724%) over the assessed base year value.

The District's value increased by \$231,001,808 (40%) from the previous year's value (\$536,961,036). This increase in District value will result in the collection in 2021 of approximately \$5,936,980 in incremental revenue for the District (City - \$4,948,196; County - \$988,784). The final amount of increment collected may increase as roll back taxes for 2020 are paid.

Objectives, Programs, and Success Indicators

The final Cypress Waters Project Plan and Reinvestment Zone Financing Plan was adopted on June 8, 2011, as amended. In 2015, the District's Project and Reinvestment Zone Financing Plan was amended, and two of the development goals and objectives were revised to reflect a decrease in the budget for the District. The amended goals are in bold. Specific actions addressing each goal and objective follow in italics.

- Create additional taxable value attributable to new private investment in projects in the Cypress Waters TIF District totaling approximately ~~\$2.2 billion~~ **\$1.5 billion** over the thirty-year life of the TIF district.

The District has seen an increase in value of approximately \$750 million, (or 50% of amended goal) from a combination of agricultural exemption being removed from some parcels and completed private development within the District.

- Attract new private development, including approximately 10,000 new residential units, 4,000,000 square feet of commercial space (including approximately 700,000 square feet of data center use and 2,000,000 square feet of light

warehouse/industrial use), and an estimated 150,000 square feet of pedestrian-oriented retail space, all of which are anticipated to create an estimated 9,000 on-site jobs.

Three residential development projects supported by Phase 1 public infrastructure improvements completed December 2014, adding 673 multi-family units to the District (including 135 affordable units). Construction of an additional 141 residential units, as part of Phase II of the Parson's Green development, completed during the 2016 fiscal year. In total, approximately 814 residential units (inclusive of approximately 163 affordable units) have been supported by TIF funding. An additional 1,075 residential units were completed in 2019, and 64 were completed in 2020 all without the assistance of TIF funding. Approximately 1,953 residential units have completed construction or are under construction within the District, representing 20% of the housing goal.

In total, approximately 2,797,538 square feet of office space has completed construction or is currently under construction within the District, representing 70% of the commercial space goal.

During FY 2018-2019 construction of 35,000 square feet of retail was completed in the District, representing 23% of the pedestrian-oriented retail space goal.

To date, an estimated 13,292 on-site jobs have been added to the District, exceeding the on-site jobs goal.

- To improve ridership on DART via the planned expansion along the Silver Line (formerly called the Cotton Belt Line).

The master plan for the District includes development adjacent to the planned Silver Line Station on the north side of the District.

- Improve recreational opportunities for the community and the future residents within the TIF District via extensive, publicly accessible green space on the site along the lake edge and along power line easements, in addition to multiple parks, hike and bike trails, and pedestrian connections throughout the District. Additional open space may be available through the utilization of Coppell ISD land and as part of an MMD and/or TIF-funded public amenity center.

The Phase 1 development installed wide sidewalks leading to the adjacent power line easement and to a future connection to the lake trail.

The Phase 2 development installed a combination cycle track and pedestrian path along Cypress Waters Boulevard and three large green spaces in the District.

In 2018, Dallas County provided \$3 million for the construction of a trail that connects the TIF District with Irving's Champion Trail providing a continuous 12-mile trail from Cypress Waters to Irving's Las Colinas Urban Center. It is anticipated that TxDOT will also provide \$3 million for this trail.

- Create a model for exceptional development standards in terms of its complexity, scope, design, environmental sensitivity, and connectivity.

The private development and public infrastructure improvements completed with Cypress Waters Phases 1 and 2 projects are a model for dense, pedestrian-oriented development on under-utilized, infill property.

On August 13, 2012, the TIF Board approved the Urban Design Guidelines for Projects Located in City of Dallas Tax Increment Financing Districts.

The City Design Studio reviewed design for the Phase 2 public and private development, which provided pedestrian and bicycle connectivity between the housing, commercial, and recreational space.

Coppell Independent School District opened Richard J. Lee Elementary School in the fall of 2014. Lee Elementary is the first net-zero elementary school in the state of Texas. The campus includes daylight harvesting, rainwater collection, and geothermal heating and cooling.

- Generate an NPV of ~~\$65 million~~ **\$26 million** or approximately ~~\$160 million~~ **\$45 million** in total dollars in projected TIF revenues over the 30-year life of the District.

City participation in TIF increment collections began in tax year 2012. As of the end of the 2019-2020 fiscal year, approximately \$13.2 million in TIF revenue has been generated, representing 29% of the District's amended goal.

Year-End Summary of Meetings and Council Items

The Cypress Waters TIF District Board of Directors met twice during the 2019-2020 fiscal year on January 23, 2020 and May 28, 2020.

The Board of Directors consists of seven (7) members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2019-2020, the Cypress Waters TIF Board consisted of the following members:

Marguerite Buccino, City appointee (Attended 2 of 2 meetings)
Marijke Lantz, City appointee (Attended 2 of 2 meetings)
Claire Oliver, City appointee (Attended 2 of 2 meetings)
Staci Reznik, City appointee (Attended 1 of 2 meetings)
Derek Sandler, City appointee (Attended 2 of 2 meetings)
Victor Toledo, City appointee (Attended 2 of 2 meetings)
Rick Loessberg, Dallas County appointee (Attended 1 of 2 meetings)

During fiscal year 2019-2020, the City Council approved two (2) items directly or indirectly associated with the Cypress Waters TIF District. The City Council actions are listed below:

- On February 26, 2020, City Council approved Resolution No. 20-0348 accepting the FY 2018-2019 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nineteen (Cypress Waters TIF District or District) and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District, and to the State Comptroller, as required by state law.
- On June 24, 2020, City Council approved Ordinance No. 31562 and Resolution No. 20-1028 authorizing (1) an ordinance amending the Project Plan and Reinvestment Zone Financing Plan ("Plan") for Tax Increment Financing Reinvestment Zone Number Nineteen ("Cypress Waters TIF District") to reprogram \$820,000.00 2010 NPV dollars (approximately \$1,490,579.00 total dollars) in the Cypress Waters TIF District's budget from the Infrastructure Improvements line item to increase the Public Safety Improvements line item to \$6,820,000.00 2010 NPV dollars (approximately \$12,397,255.00 total dollars) to support the development of a permanent public safety facility in the District; (2) a development agreement with Billingsley LD, Ltd. ("Developer") and/or its affiliates in an amount not to exceed \$12,300,000.00, payable from future Cypress Waters TIF District Funds, for reimbursement of development costs (excluding land costs) associated with development and conveyance of a Public Safety Building/Fire Station 58 in Cypress Waters TIF District; (3) the City Manager, upon completion of the Cypress Waters Public Safety Building/Fire Station 58, to execute customary and reasonable closing documents, as may be required and approved as to form by the City Attorney, to transfer ownership of the land and facility to the City of Dallas; and (4) an increase in appropriations in an amount not to exceed \$12,300,000.00 in the Cypress Waters TIF District Fund - Not to exceed \$12,300,000.00.

Budget and Spending Status

Each TIF district, in the Project Plan and Reinvestment Zone Financing Plan, establishes a budget for public improvement expenditures necessary to support private investment in the district. The District's budget was reduced in 2015. The amended budget and spending status is shown below.

Cypress Waters TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget	Allocated	Balance
Public infrastructure improvements	\$30,117,925	\$19,600,000	\$10,517,925
Public safety improvements	\$12,300,000	\$12,300,000	\$0
Administration and implementation**	\$2,620,583	\$378,691	\$2,241,892
Total project costs	\$45,038,509	\$32,278,691	\$12,759,818
*Budget shown above in current dollars, updated yearly; TIF Project Plan shows the budget in net present value. Values above do not include estimated interest on TIF subsidies. **Administration and implementation costs for FY 2019-2020 are included in the above allocation.			

Cypress Waters TIF District Project Plan Budget (NPV, 2010 dollars)	
Category	TIF Budget*
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$17,459,665
Public safety	\$6,820,000
Administration and implementation	\$1,500,000
Total project costs	\$25,779,665
* As approved in the Final Project Plan and Reinvestment Zone Financing Plan.	

M/WBE Participation

Public bidding is not required for TIF projects. All TIF-funded projects must follow the City’s adopted Business Inclusion and Development Plan and make a good faith effort to include certified Minority and Women-Owned Business (M/WBE) participation in TIF-funded projects. The BID Plan goal for TIF-funded projects is 25 percent (25%) M/WBE participation in construction costs.

Cypress Waters TIF Project M/WBE Participation <small>(completed projects only)</small>					
Project	Total Construction Contract Amount	Local M/WBE Amount	Non-Local M/WBE Amount	Total M/WBE Participation	Total M/WBE Participation Percentage
Cypress Waters Phase I	\$9,301,593	\$914,998	\$1,077,591	\$1,992,589	21%
Cypress Waters Phase II	\$6,273,789	\$695,260	\$552,087	\$1,247,346	20%
Totals	\$15,575,382	\$1,610,258	\$1,629,678	\$3,239,936	21%

FY 2020-2021 Work Program

Items for the Cypress Waters TIF District include:

- Adoption of FY 2019-2020 Annual Report
- Encourage development projects within the District, in accordance with the final Project Plan and Reinvestment Zone Financing Plan.
- Building permit issuance and start construction of the Cypress Waters Public Safety Building/Fire Station 58

Appendix A: District Financials

City of Dallas, Texas
Cypress Waters 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	\$179,190	\$403,426	\$883,620	\$229,885	\$1,812,043
Interest receivable	\$138	\$435	\$5,938	\$611	\$1,680
Total assets	<u>\$179,328</u>	<u>\$403,862</u>	<u>\$889,557</u>	<u>\$230,497</u>	<u>\$1,813,723</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$192,052	\$90,514	\$60,000	\$112,097	\$112,097
Total liabilities	<u>\$192,052</u>	<u>\$90,514</u>	<u>\$60,000</u>	<u>\$112,097</u>	<u>\$112,097</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	-\$12,724	\$313,348	\$829,558	\$118,400	\$1,701,627
Total Liabilities and Fund Equity	<u>\$179,328</u>	<u>\$403,862</u>	<u>\$889,558</u>	<u>\$230,497</u>	<u>\$1,813,724</u>

Cypress Waters 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	\$11,206,363	\$3,544,063	\$2,757,927	\$1,974,753	\$1,269,441	\$955,735
Tax increment-Intergovernmental	\$2,173,840	\$721,490	\$569,205	\$388,864	\$243,919	\$171,003
Interest income	\$58,208	\$11,603	\$7,799	\$19,450	\$7,440	\$8,088
Net increase (decrease) in fair value of investments	\$2,578	\$1,079	\$11,816	(\$9,879)	(\$2,209)	\$202
Total revenues	<u>\$13,440,990</u>	<u>\$4,278,235</u>	<u>\$3,346,746</u>	<u>\$2,373,188</u>	<u>\$1,518,592</u>	<u>\$1,135,027</u>
Expenditures:						
Administrative expenses	\$378,691	\$101,695	\$30,514	\$0	\$23,881	\$34,617
Non-Capital Outlay	\$2,050,613	\$2,050,613	\$0	\$0	\$0	\$0
Capital outlay	\$11,024,410	\$2,452,000	\$3,832,442	\$1,662,031	\$3,077,937	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$13,453,714</u>	<u>\$4,604,307</u>	<u>\$3,862,956</u>	<u>\$1,662,031</u>	<u>\$3,101,818</u>	<u>\$34,617</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(\$12,724)</u>	<u>(\$326,072)</u>	<u>(\$516,209)</u>	<u>\$711,157</u>	<u>(\$1,583,227)</u>	<u>\$1,100,410</u>
Fund balance (Deficit) at beginning of year						
as previously reported	\$0	\$313,348	\$829,558	\$118,400	\$1,701,627	\$601,217
Fund balance (Deficit) at beginning of year,						
as restated	\$0	\$313,348	\$829,558	\$118,400	\$1,701,627	\$601,217
Fund balance (deficit) at end of year						
	<u>(\$12,724)</u>	<u>(\$12,724)</u>	<u>\$313,348</u>	<u>\$829,558</u>	<u>\$118,400</u>	<u>\$1,701,627</u>

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 updated financial statements.

City of Dallas, Texas
 Cypress Waters Tax Increment Financing District Fund
 Reinvestment Zone Number Nineteen
 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:

\$12,682	Interest Income
\$0	Affordable housing payment
\$4,265,553	Ad Valorem Taxes (Collected in FY'2019-20 based on 2019 Final Tax Roll)
\$4,278,235	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$101,695	Administrative Expense - TIF admin cost FY2018-19 (\$37,176) & FY2019-20 (\$64,519)
\$2,050,613	Non-Capital Outlay ¹
\$2,452,000	Capital Outlay ² - Cypress Waters Phase I
\$4,604,307	Total Expenditures

¹Capital Outlay Cypress Waters Phase I

\$206,681	Public Safety Improvements
\$748,433	Sewer Transmission, Construction & Engineering
\$1,496,886	Primary Roadway Improvements
\$2,452,000	Total Capital Outlay expenditures

²Non-Capital Outlay Cypress Waters Phase II

\$407,641	Signage & Landscaping
\$1,642,972	Economic Development Grant
\$2,050,613	Total Non-Capital expenditures

\$4,502,612	Total Capital & Non-Capital Outlay FY2019-2020
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3. Amount of Principal and Interest due-on outstanding bonded indebtedness is as follows:

Cypress Waters TIF District has incurred no bonded indebtedness as of September 30, 2020.

4. The Zone has entered into a development agreement for each of the following projects and their status is as follows as of September 30, 2020:

Developer	Project	Balance Due (Since Inception)			Payment To Date			Net Balance Due
		Principal	Accrued Add'l Subsidy ¹	Total Due	Principal	Accrued Add'l Subsidy ¹	Total Paid	
Billingsley LD, Ltd.	Cypress Waters Phase I**	\$9,527,524	\$1,496,887	\$11,024,410	\$9,527,524	\$1,496,887	\$11,024,410	(\$0)
Billingsley LD, Ltd.	Cypress Waters Phase II**	\$6,522,398	\$1,642,972	\$8,165,370	\$407,641	\$1,642,972	\$2,050,613	\$6,114,757

¹Additional 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 2020*	Base Year 2010 Value	Est. Captured Value 2020**
City of Dallas	\$749,962,844	\$71,437	\$749,891,407
Dallas County	\$749,962,844	\$71,340	\$749,891,504

*Taxable value shown for participating taxing jurisdictions. County will begin participating in tax year 2014. County values will vary slightly from the City value due to different exemption levels.

**Based on Certified Taxable Value. The final values will be determined on February 1, 2021.

6. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, an 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 Estimated 2020	
	Per \$100*	Increment*
City of Dallas	0.65986	\$4,948,196
City of Dallas-2020 Rollback Taxes	0.00000	\$0
Dallas County	0.13186	\$988,784
Dallas County-2020 Rollback Taxes	0.00000	\$0
Total for all Jurisdictions	\$0.79171	\$5,936,980

*Participation rates for City of Dallas and Dallas County are 85% for tax years 2012 to 2034 and 55% for tax years 2014 to 2033 respectively.

b. The total amount of estimated tax increment to be billed for the 2020 tax year is \$5,936,980.

c. For 2019 tax year, the Zone received increment of \$4,265,553.

City of Dallas, Texas
Cypress Waters Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2020

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).
4. The Zone's Financial Plan permits expenditures not to exceed \$2,065,585 over the life of the TIF to reimburse the City for administrative costs. 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 \$192,052 at September 30, 2020 represents the TIF administration costs that have been earned for prior fiscal years in the amount of \$60,000 and \$30,514 for fiscal year 2017-2018, \$37,176 for the fiscal year 2018-2019 and \$64,362 for fiscal year 2019-2020 but will be reimbursed to the General Fund in future years based on the availability of TIF funds. These administrative costs do not include billing by other City departments.
6. All expenditures resulting in capital improvements that are owned by the City are capitalized on the City's books.

Appendix B: Project Pay-Off Estimates

Developer	Project Name	TIF Award	Pay-Off Date
Victory Sub-district			
Billingsley LD, Ltd.	Cypress Waters TIF Phase II	\$6,522,398*	2022
Billingsley LD, Ltd.	Cypress Waters Public Safety Bldg	\$12,300,000	2024

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

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

*Indicates TIF Award principal, interest not shown

Appendix C: District Set-Aside Funds

There are no District set-aside funds.