

ORDINANCE NO. 29015

AN ORDINANCE AMENDING ORDINANCE NOS. 26020 AND 26096, ORIGINALLY APPROVED ON JUNE 8, 2005 AND AUGUST 25, 2009, RESPECTIVELY, AS AMENDED, IN ACCORDANCE WITH THE TAX INCREMENT FINANCING ACT, (V.T.C.A. TAX CODE. CHAPTER 311), TO: (1) INCREASE THE DOWNTOWN CONNECTION TIF DISTRICT'S BUDGET FROM \$189,807,592 NPV (APPROXIMATELY \$391,744,162 TOTAL DOLLARS) TO \$231,593,554 NPV (APPROXIMATELY \$545,726,096 TOTAL DOLLARS, AN INCREASE OF \$41,785,962 NPV (APPROXIMATELY \$153,981,934 TOTAL DOLLARS); (2) EXPAND THE DISTRICT'S FOCUS OF REDEVELOPMENT EFFORTS; AND (3) MAKE CORRESPONDING MODIFICATIONS TO THE DOWNTOWN CONNECTION TIF DISTRICT'S BUDGET AND PROJECT AND REINVESTMENT ZONE FINANCING PLAN AND ANY OTHER NECESSARY ADJUSTMENTS TO IMPLEMENT THE PLAN AMENDMENT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; AND ORDAINING OTHER MATTERS RELATING THERETO.

WHEREAS, the City Council authorized Ordinance No. 26020, on June 8, 2005, as amended, creating Tax Increment Financing Reinvestment Zone Number Eleven, City of Dallas, Texas (the "Downtown Connection TIF District") in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, Chapter 311 to promote development and redevelopment in the downtown core through the use of tax increment financing; and

WHEREAS, the City Council authorized Ordinance No. 26096, on August 29, 2005, as amended, approving the Project Plan and Reinvestment Zone Financing Plan for the Downtown Connection TIF District; and

WHEREAS, the Act requires that if an amendment reduces or increases the geographic area of the zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs, or designates additional property in the zone to be acquired by the municipality, the approval must be by ordinance after the City holds a public hearing on such amendments and provide interested persons the opportunity to speak and present evidence for or against such amendments; and

WHEREAS, the City desires, by the calling and holding of such public hearing, to provide a reasonable opportunity for any owner of property located within the Downtown Connection TIF District, any other taxing districts, and any other interested persons to speak for or against the amendment; and

WHEREAS, the Downtown Connection TIF District Board of Directors recommended approval of the following amendments to the Downtown Connection TIF District's Project and Reinvestment Zone Financing Plans to: (1) increase the Downtown Connection TIF District's budget from \$189,807,592 NPV (approximately \$391,744,162 total dollars) to \$231,593,554 NPV (approximately \$545,726,096 total dollars, an increase of \$41,785,962 NPV (approximately \$153,981,934 total dollars); (2) expand the District's focus of redevelopment efforts; and (3) make corresponding modifications to the Downtown Connection TIF District's budget and Project and Reinvestment Zone Financing Plan on March 21, 2013, consistent with the requirements and limitations of the Act; and

WHEREAS, on April 24, 2013, the City Council in accordance with the Tax Increment Financing Act, as amended, V.T.C.A Texas Tax Code, (Chapter 311), called a public hearing to be held on May 22, 2013, to hear citizen comments and concerns regarding the proposed Downtown Connection TIF District amended budget and Project and Reinvestment Zone Financing Plan for the District. That public hearing was duly held and closed.

NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Ordinance Nos. 26020 and 26096, originally approved June 8, 2005, and August 29, 2005, are hereby amended to: (1) increase the Downtown Connection TIF District's budget from \$189,807,592 NPV (approximately \$391,744,162 total dollars) to \$231,593,554 NPV (approximately \$545,726,096 total dollars, an increase of \$41,785,962 NPV (approximately \$153,981,934 total dollars); (2) expand the District's focus of redevelopment efforts; and (3) make corresponding modifications to the Downtown Connection TIF District's budget and Project and Reinvestment Zone Financing Plan and any other necessary adjustments to implement these amendments, attached hereto as **Exhibit A**.

SECTION 2. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 3. That the amendments to the Project and Reinvestment Zone Financing Plan and budget of the Downtown Connection TIF District will result in benefits to the City and the property included in the TIF District.

SECTION 4. That this action is necessary to complete the redevelopment and public improvements within the District.

SECTION 5. That improvements in the Downtown Connection TIF District will significantly enhance the value of all taxable real property in the TIF District.

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SECTION 76. That Ordinance Nos. 26020 and 26096 will remain in full force and effect, save and except as amended by this ordinance.

SECTION 87. That if any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or un-enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 98. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM

THOMAS P. PERKINS, JR.
CITY ATTORNEY

By:


Assistant City Attorney

Passed and correctly enrolled MAY 22 2013

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Exhibit A

**Downtown Connection
Tax Increment Financing District**



**Project Plan
&
Reinvestment Zone Financing Plan**

ADOPTED – AUGUST 29, 2005

AMENDED – OCTOBER 19, 2005

AMENDED – MARCH 8, 2006

AMENDED – DECEMBER 12, 2007

AMENDED – OCTOBER 22, 2008

AMENDED – DECEMBER 10, 2008

AMENDED – FEBRUARY 11, 2009

AMENDED – APRIL 22, 2009

AMENDED – MAY 22, 2013

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**Section 1:
Project Plan****Background**

The Downtown Connection TIF District represents the outgrowth of the City of Dallas' effort to create a downtown neighborhood with 10,000 plus residents, supporting retail establishments, adequate parks and open space, an attractive employment environment, and a variety of arts venues.

The City of Dallas created the first tax increment financing ("TIF") district for downtown, the City Center TIF District, in 1996. Its purpose was, and is, to create a fund for public capital improvements in the core of Downtown essential for redevelopment of key spaces and buildings. The City Center TIF District has collected \$52 million, all of which has been spent or allocated, creating the beginning of a vibrant downtown. This existing TIF zone is expected to generate tax growth to fund approximately \$29 million of remaining improvements from a total budget of \$87.6 million (total budget includes parking revenue and interest earnings). City Center TIF District projects relying on future increment for reimbursement include Republic Center Tower I, the Interurban Building, Eureka/Joule Hotel, Fidelity Union Tower (Mosaic), 1200 Main, 1608 Main, Dallas County Plaza and affordable housing.

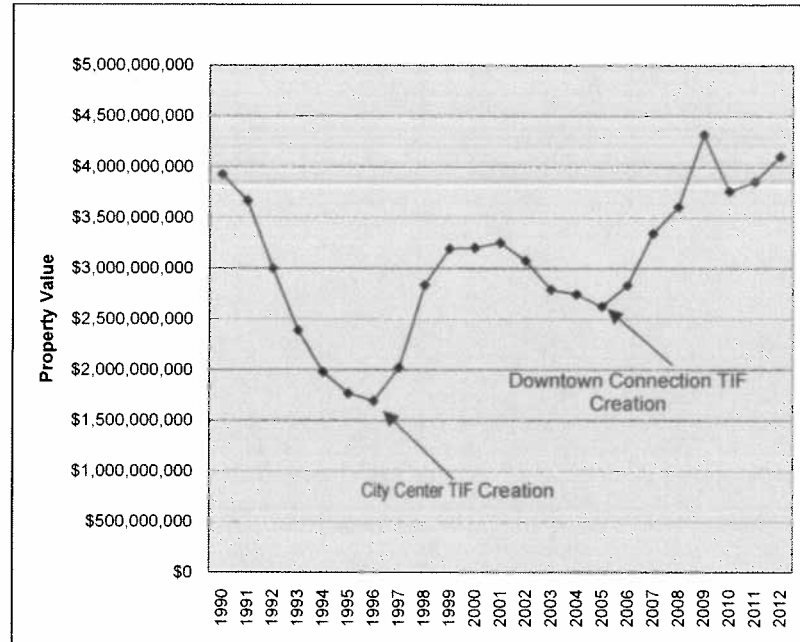
In May 2003, the City Center TIF District Board of Directors attended a workshop to assess the direction in which unallocated TIF funds should be spent. At the time, because there was no application for a large catalyst project, the Board made a decision to focus the remaining funds on seed projects within the Main Street core area. This approach successfully brought projects such as Stone Street Gardens and the Thompson Building at Pegasus Plaza.

The Downtown Connection TIF District, while sharing similar goals of the City Center TIF District, focuses on catalyst projects to create a greater density and critical mass of development within the Main Street core area. This shift in approach will further develop downtown, making it a vibrant, destination neighborhood.

Even though the City Center TIF District increased private investment in Downtown and zone values have increased since inception in 1996, a sluggish office market has pushed zone values down from a 2001 high. Because office buildings are more than 80% of appraised real property value in Downtown, their value will continue to drive total Downtown appraisals for years. The decrease in office values has diluted the accomplishment and added value generated by City Center TIF District projects. Exhibit A graphs taxable appraisals inside the Downtown freeway ring since 1990.

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Exhibit A
Downtown Improvement District
Real Property Value



In response to a depressed office market's impact on increment collections for the City Center TIF fund, the Downtown Improvement District and the Uptown Public Improvement District jointly proposed to remove selected properties from the existing City Center TIF District and create a second TIF district in parts of Downtown and Uptown. See Appendix B for a map of the amended City Center TIF District. Exhibit B is a map of the Downtown Connection TIF District

The Downtown Connection TIF District ("Zone") was initiated by petition, pursuant to Section 311.005 (a)(5), Texas Tax Code through the sponsorship of the Downtown Improvement District and Uptown Public Improvement District. The City Council, using the authority of the Tax Increment Financing Act (Chapter 311, Tax Code) established the Downtown Connection TIF District pursuant to Ordinance Number 26020 on June 8, 2005:

- Declaring portions of the Downtown/Uptown areas as a "reinvestment zone"
- Establishing the boundaries of Downtown Connection TIF District
- Adopting a preliminary project and financing plan
- Establishing a Board of Directors for the Downtown Connection TIF District

On June 8, 2005, the City Center TIF District boundary was amended. Although no properties were added to the existing City Center TIF District, some, but not all, properties removed from the City Center TIF District became part of the new Downtown Connection TIF District. The advantage of the new TIF zone is it includes no major occupied office buildings and relatively few recently renovated buildings. Consequently, it leaves potential value increases for such buildings available to the general operating

EXHIBIT A

funds of the City and other taxing entities participating in the TIF program and it makes the tax increments for the new TIF fund less susceptible to fluctuation in the office market.

A successful Downtown Connection TIF District program will mean that most of the historic sites in the heart of Downtown and the surrounding area will have been adapted for reuse, most vacant buildings will no longer be vacant, and Downtown will have over 10,000 residences inside the freeway ring. These achievements are “must-do” items for a vibrant Downtown. A vibrant Downtown is essential for a first-class, competitive city.

The Downtown Connection TIF District Board of Directors include nine members consisting of six City Council appointees, one appointee by the State Senator (currently Royce West), one appointee from the State Representative (currently Dan Branch), and one member from Dallas County.

The duration of the Downtown Connection TIF District is 30 years; it is scheduled to terminate December 31, 2035.

Zone Description

The Downtown Connection TIF District is located in the core of Downtown Dallas and portions of Uptown. The District is generally bounded by the Katy Trail, Maple Avenue, Kittrell Street, Cedar Springs Road, Routh Street, Carlisle Street, Vine Street, Howell Street, Fairmount Street, McKinney Avenue, Maple-Routh Connection, Woodall Rodgers Freeway, Central Expressway, I-45, Commerce Street, Young Street, Marilla Street, Lamar Street, Caroline Street, Wichita Street, Harry Hines Boulevard, Randall Street, Harwood Street, Jack Street, McKinnon Street, and Ivan Street (see Exhibit B).

Boundaries that follow public streets and highways shall be construed to extend to the far sides of such rights-of-way, measured from the reinvestment zone. Boundaries that approximate property lines shall be construed as following such property lines. Any real property account within the City Center TIF zone after the date of designation of the Downtown Connection TIF zone is not within the Downtown Connection TIF zone. Rights of-ways, however, may lie within multiple zones unless a future interpretation of law precludes such a construction.

Appendix A attempts to identify all real property accounts within the Downtown Connection TIF zone boundary. Parcels identified as outparcels in Exhibit B are not within the TIF zone unless the boundaries are further amended in accordance with the law. The base value of the zone will be the total appraised value of all taxable real property in the zone as determined by the Dallas Central Appraisal District in the certified roll for 2005.

The Downtown Connection TIF District essentially includes vacant and underutilized buildings in the downtown core that are not being redeveloped as part of the City Center TIF District program, surface parking lots, and portions of the Uptown area.

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The total taxable appraised value of the Downtown Connection TIF District for the 2005 base year is \$561,696,137, adjusted. Exhibit J and Appendix A reflect the adjusted base year value for the District.

Exhibit B:

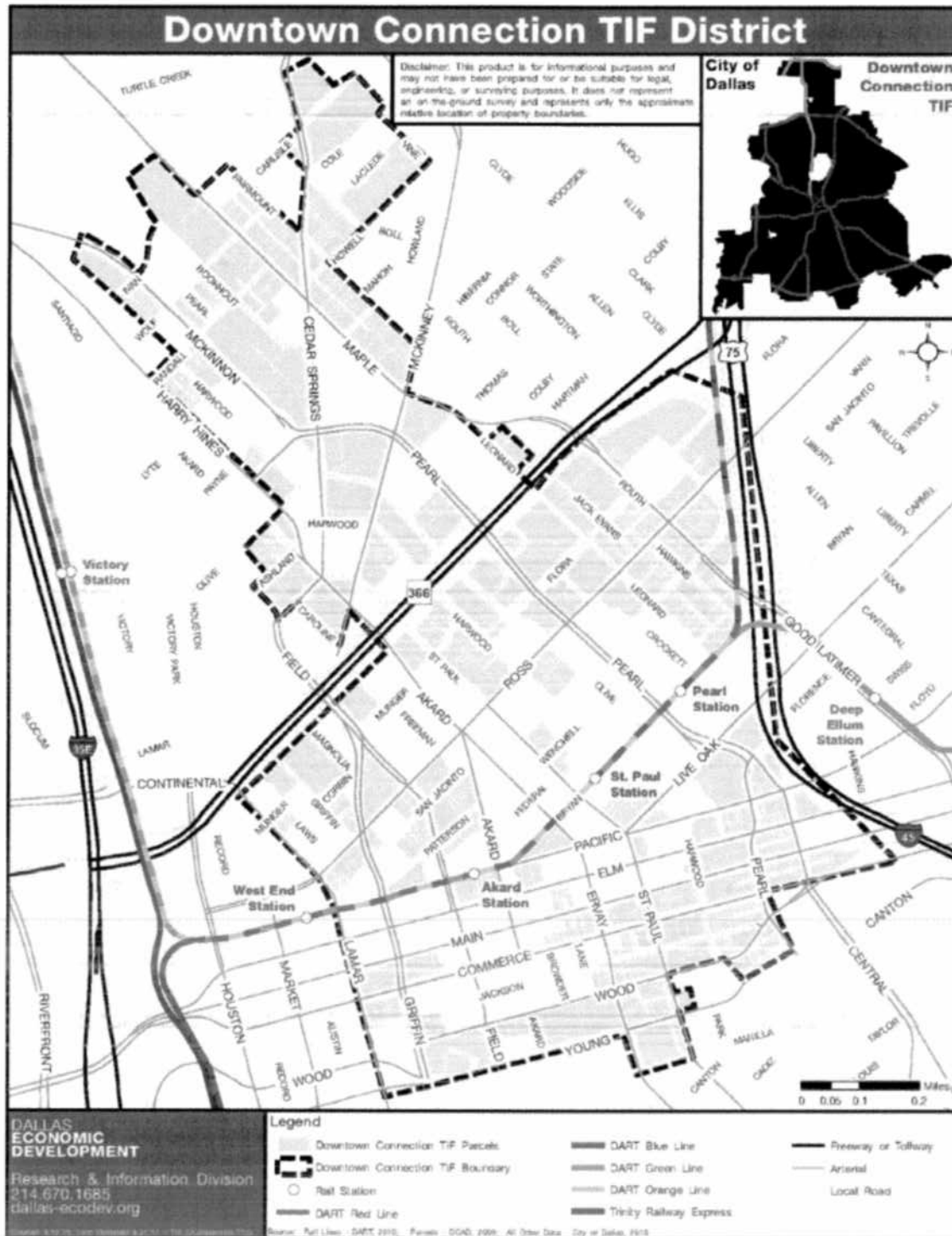


EXHIBIT A

Project & Financing Plan for Downtown Connection TIF District

Development Goals and Objectives

The Board of Directors adopted development goals that are expected to meet the specific needs of the Downtown Connection TIF District:

- Improve pedestrian connections between and within the Uptown and Downtown areas.
- Improve the appearance of the buildings, surface parking lots, undeveloped sites and parks and open spaces within Downtown Connection area.
- Support redevelopment of the existing building supply and surface parking lots located within the area.
- Develop a more diverse mixture of land uses within the Downtown Connection area
- Increase open space and recreational opportunities in the Downtown Connection area
- After providing incentives for selected catalyst project to accelerate residential development, initiate a long-term plan to achieve critical mass goals related to housing and retail development, and public space amenities needed for a vibrant downtown
- Facilitate private development within the Downtown Connection TIF District for the public purpose of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District.

The following specific objectives set the framework for the planned public improvements within the Downtown Connection TIF District:

- Improve street and pedestrian lighting within the Downtown Connection TIF District.
- Offset the costs of environmental remediation, interior and exterior demolition, fire corridor improvements and facade improvements to encourage redevelopment of underutilized downtown buildings.
- Encourage the redevelopment of surface parking lots and undeveloped/underdeveloped sites, especially those located on key pedestrian linkages, to create residential and retail opportunities and achieve critical mass goals within the district.

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- Ensure new construction and/or redevelopment projects are compatible with surrounding historic buildings, particularly with regard to building design, material quality and pedestrian appeal at ground level.
- Improve key linkages between the DART light rail transit mall and other significant Downtown and Uptown venues by extending streetscape improvements and encouraging street level pedestrian oriented development.
- Promote higher quality development in the Zone through the application of design standards for public improvements and design guidelines for private development within the district.
- Encourage the strategic development of residential housing within the area, including redevelopment of existing buildings, and new construction on existing surface parking lots and currently underdeveloped sites.
- Encourage redevelopment of sites, such as the Arts District Garage site, where development activity was started over fifteen years ago but not completed and are not likely to be completed without some public financial incentives.
- Complement and protect existing historic structures.
- Expand the success of the downtown core to other downtown destinations including the West End, Farmers Market, Klyde Warren Park, and Arts District.
- Provide TIF incentives to fund a Ground Floor Activation Program based on the recommendations of the Downtown Dallas 360 Plan's retail activation strategy.
- Encourage Mixed Income Housing in the Zone and surrounding downtown area by providing TIF incentives to offset the costs of providing affordable housing.

The project costs enumerated in the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan ("Project Plan") require the expenditure of approximately \$231 million, primarily for the Mercantile Block, Atmos Complex and Continental Building ("Catalyst Project") and the redevelopment of vacant and underutilized buildings in downtown, including environmental remediation, interior and exterior demolition assistance, facade improvement assistance, purchase of facade beautification easements, fire corridor improvements, streetscape, street and utility improvements, land acquisition for pedestrian safety and accessibility, park sites, and key development sites, acquisition and restoration of historic sites and grants. In addition, the Project Plan makes Uptown/Downtown connectivity improvements a priority. The Woodall Rodgers Deck/Park will be undertaken early in the term of the TIF District, to the extent funds are available, to create a seamless link between Uptown and Downtown. The Project Plan also provides for a cash contribution for Affordable

EXHIBIT A

Housing that will be funded jointly with the Catalyst Project. These improvements planned for the Downtown Connection TIF District are designed to meet the long-term public needs to secure the growth and investment of the area.

Tax increment financing will be used to assist with these improvements. Utilizing this economic development tool to encourage public infrastructure improvements, the economics of developing market rate housing in the Downtown Connection area and attracting more commercial investment is greatly improved. The Project Plan also provides for extensive public improvements for the redevelopment of vacant and underutilized downtown buildings, streetscaping, connectivity and public use improvements and other amenities which complement existing and anticipated investment in the Downtown Connection area.

2013 Project Plan Amendment

Since 1996, the City Center and Downtown Connection TIF Districts have been successful in incentivizing redevelopment of once vacant or nearly vacant buildings in downtown's core. The TIF District's focus on the downtown core has resulted in 6,765 residential units, 3,589 hotel rooms, 10.3 million square feet of renovated vacant office space and 8.44 acres of park space added within the freeway loop.

In 2011, City Council adopted the Downtown Dallas 360 Area Plan funded by the Downtown Connection TIF District. The plan set forth a shared vision for Downtown's future that provided implementation actions for achieving the vision. The plan is a long-term, strategic guide to ensure Downtown Dallas is a vibrant urban center, by providing clear, targeted recommendations. The recommendations and concepts presented in the plan are intended to be considered when reviewing development, considering public investments and making development decisions.

In conjunction with the Downtown Dallas 360 Plan, a Main Street District Retail Activation Strategy was completed. The strategy aims to create a contiguous downtown core that eliminates gaps in the pedestrian experience created by vacant buildings and ground level space and disjointed streetscape improvements. The Main Street District Retail Activation Strategy's Tool Box provides techniques and methods for achieving a vibrant and active ground level experience for downtown residents, workers and visitors and will be used to guide the district's Ground Floor Activation Program.

The purpose of this amendment is to: (1) expand the downtown core and redevelopment momentum outside of the immediate Main Street area; (2) increase the district's budget to continue to provide a funding source for redevelopment within the downtown core by redeveloping last remaining vacant buildings; (3) strengthen connections between redevelopment occurring in the Main Street district to other destinations downtown; (4) support ground floor activation and occupancy that is contiguous by filling vacant gaps at the ground floor plane in accordance with the Downtown Dallas 360's activation strategy; and (5) provide a source of funding for the

next phase of development within the District which is the redevelopment of surface parking lots, undeveloped or underdeveloped parcels, and underutilized buildings.

Additional increment collections resulting from increasing the Zone's budget should be focused to assist in redevelopment of the remaining vacant and/or underutilized building in the downtown core. A secondary focus of funds should be projects in areas that are contiguous to the core whose improvement will create and/or enhance linkages to other destinations, specifically the West End and Farmers Market where recent TIF District extensions have provided funding for development in those areas.

To be most effective, Downtown Connection TIF District funds should be concentrated in areas where TIF projects are in close proximity to other TIF projects or Districts or areas of City investment, creating large areas of contiguous redevelopment. Providing TIF funding to singular projects scattered throughout downtown is not encouraged.

Economic Development TIF Grant Program

Catalyst Project Economic Development TIF Grant Program

Certain costs of improvements of Mercantile Block, Atmos Complex, and Continental Building catalyst project, as further discussed herein, have become eligible for funding with tax increment revenues under legislative actions taken in 2005. These improvements enumerated in the Project Plan provide for approximately \$39 million in grants of TIF revenues, subject to final construction plans, for costs associated with redevelopment of vacant structures and costs of new development including, but not limited to, equipment, machinery, supplies and materials, to be purchased for the benefit of the catalyst project. The City implemented controls per contract documents sufficient to ensure that all funds provided for the catalyst project are used to fulfill the public purposes of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District.

Excluding only the Catalyst Project approved prior to the issuance of any debt obligations, no other projects receiving TIF funds may be categorized as a catalyst project or shall receive tax abatements within the Zone.

Economic Development TIF Grant Program

TIF grants may be provided to projects that meet Downtown Connection TIF District development goals and specific development objectives. Grants may be provided to facilitate redevelopment of vacant/underutilized buildings, undeveloped/underdevelopment parcels, existing surface parking lots and ground floor activation and occupancy, as well as mixed income housing. An economic development TIF Grant may be used to fund a project in excess of non-grant TIF eligible expenditures, if the project is not feasible but for a TIF Grant.

Direct Lease or Sale of City-owned/ City-controlled Property

The City of Dallas is permitted to directly lease or sell City-owned/City-controlled property within the Downtown Connection TIF District without complying with auction and bidding requirements with the condition that the property is redeveloped in accordance with the Downtown Connection TIF District Plan.

The City of Dallas owned the Dallas Arts District Garage when the Downtown Connection TIF District was established, and the Dallas Arts District Garage is located within the boundaries of the Downtown Connection TIF District. The City of Dallas entered into a new 80-year sub-lease with an option to purchase the Dallas Arts District Garage to a developer, for a minimum of fair market value, beginning January 1, 2009 and assigned the leasehold for the underdeveloped site to a developer for the purpose of, and subject to, restoration and redevelopment in accordance with the objectives of the City in stabilizing Tax Increment Financing Zone Number Eleven, City of Dallas, Texas, and as provided in the Act.

The Atmos Complex, which was donated to the City of Dallas and transferred to Forest City for redevelopment in accordance with the Downtown Connection TIF District Project Plan and is located within the boundaries of the Downtown Connection TIF District. The Atmos Complex was to be redeveloped by Forest City pursuant to the development agreement ("Development Agreement") executed on October 5, 2005. On October 22, 2008, Dallas City Council directed the transfer of the Atmos Complex to Hamilton Atmos LP for redevelopment in accordance with the Downtown Connection TIF District Plan. Should Hamilton Atmos LP fail to obtain a building permit by October 20, 2010, ownership will revert back to Forest City pursuant to the provisions of the City's Development Agreement.

Existing Uses

The Downtown Connection TIF District is a mixed-use area, primarily composed of existing office or vacant office structures, surface parking lots, and undeveloped property. Exhibit C shows the existing land use for the area within the Downtown Connection TIF Boundary (for specific parcels included in the TIF District refer to Exhibit B the TIF Boundary Map).

Exhibit C: Downtown Connection TIF District Land Use

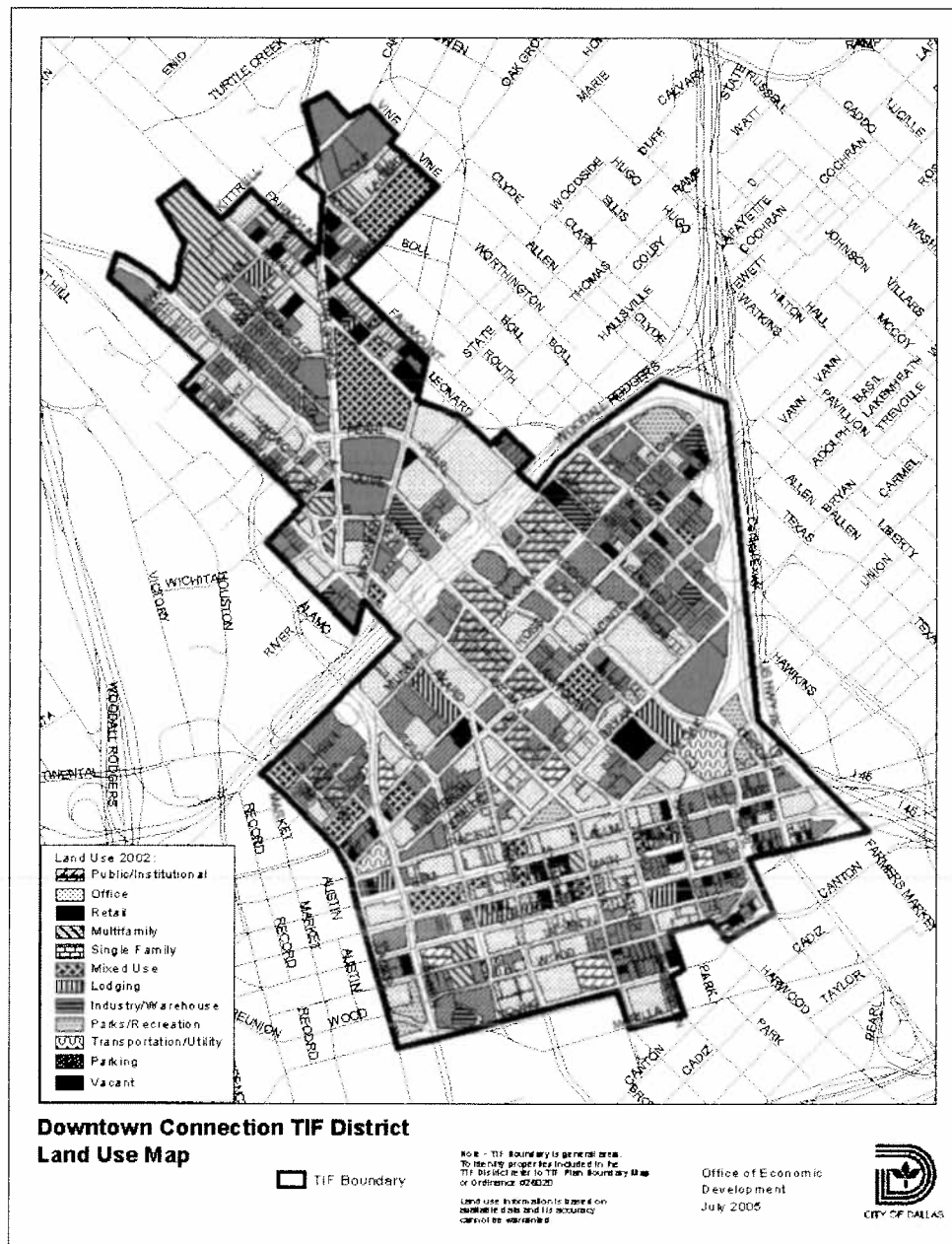


EXHIBIT A

Project & Financing Plan for Downtown Connection TIF District

Downtown Connection Area Zoning

The Downtown Dallas area has the highest zoning district classification in the City. Revisions to the central area zoning districts were made at the request of the CDA Housing Committee in 2002 to eliminate some of the less desirable uses and to reduce the parking requirement for residential uses. The encouragement of mixed uses permitted by the zoning district could be a positive force in the creation of an urban neighborhood.

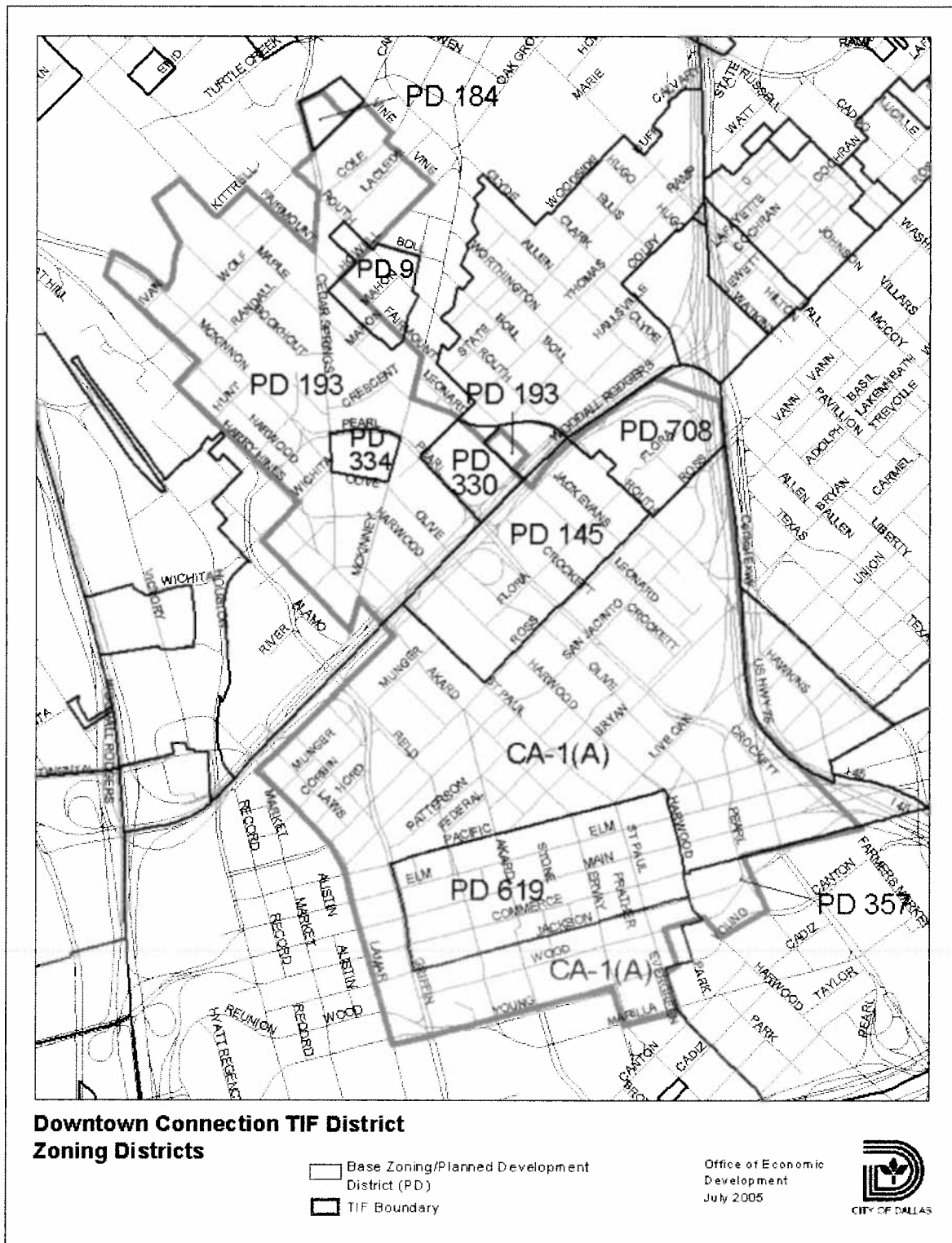
On June 12, 2002, City Council approved Planned Development (PD) District No. 619, establishing use regulations and development standards for the core downtown area bounded by the centerlines of Pacific Avenue, Harwood Street, Jackson Street, and Griffin Street. Other zoning districts in downtown include CA-1(A) Central Area, a portion of PD 357 near the Farmers Market, PD 145 in the Arts District, and PD 708 in the northeast corner.

Zoning districts in the Uptown portion of the TIF District include PD 193 (Oak Lawn), and smaller PDs 9, 184, 330, and 334.

Exhibit D shows existing zoning and the Planned Development Districts in Downtown and Uptown.

The only zoning change contemplated at this time is an amendment for a special provision sign district.

Exhibit D:
Downtown Connection TIF District Zoning



Market Feasibility

The predominant land use in the planned 30-year Downtown Connection TIF District development program is for mixed-use development. If built as planned, the residential and commercial development will create a market for the planned retail component. In addition, the residential development should also drive the demand for new commercial office investment. Therefore, the market feasibility evaluation conducted by the City Center Advisory Committee in January, 1996 is correct in its conclusion that the Dallas Intown/CBD residential development market is still relevant, and is intended, in connection with the preparation of this Plan, to be used as part of the economic feasibility study for the Downtown Connection TIF District in accordance with the provisions of Section 311.011, Texas Tax Code.

The past two decades of Downtown-related urban development activity in the larger U.S. cities has indicated that there is a "pent-up" demand for market rate housing development, but that other land uses more often "outbid" residential projects for prime locations. In addition, the most successful downtown-oriented market rate housing projects have required large enough sites to implement multi-stage developments after an "urban village" atmosphere and residential locational identity are established.

While the appeal of being in downtown has been a key feature of these other projects, both within Dallas and in other cities, the greatest increases in the number of downtown residential units has occurred where a true sense of neighborhood has been created. In addition, there has been a demonstrated need to provide a multi-faceted and self-sustaining destination neighborhood where shopping, professional services, recreation, and suitable entertainment are readily available and accessible in the context of a pedestrian environment.

The type of high density urban development contemplated in the plan will most certainly lead to a need for conveniently located parking facilities. Experience in other downtown districts indicates that high density urban residential development requires convenient, secured parking facilities.

Exhibit E shows a forecast for downtown housing construction comparing the North Central Texas Council of Governments (NCTCOG) Household Forecast for downtown and the residential Pro Forma Downtown Housing Construction Schedule. By 2030, it is estimated that downtown will reach capacity of over 10,600 residential units.

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Exhibit E

Comparison of NCTCOG Household Forecast for Downtown and Pro Forma Downtown Housing Construction Schedule

Conclusion:

The pro forma's pace of Downtown housing additions tracks the forecast by the North Central Texas Council of Governments.
NCTCOG

Compare							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
NCTCOG Forecast of Downtown Households	Residences Needed to Meet NCTCOG Forecast @ 92% Occupancy	Cumulative Downtown Residential Units	After Completion of	Estimated Building Floor Area (SF) (excl. parking)	Approximate Residential Units Added @ 1,000 SF per Unit If Unknown	Status	
2000	1,654	1,798	1,798 **				
2001	2,090 *	2,272	1,806	1611 Main Street Lofts***	8	Complete	
2002	2,526 *	2,746	2,426	Camden Farmers Market, Ph. 1***	620	Complete	
2002	2,526 *	2,746	2,443	Camden Farmers Market Townhouses***	17	Complete	
2003	2,962 *	3,220	2,451	Residences at Jackson***	8	Complete	
2004	3,398 *	3,694	2,634	Davis Building***	183	Complete	
2004	3,398 *	3,694	2,701	1505 Elm Street Condominiums***	67	Complete	
2005	3,835 *	4,168	2,859	Dallas Power and Light***	158	Complete	
2005	3,835 *	4,168	3,063	West End Complex (1001 Ross)	204	Complete	
2005	3,835 *	4,168	3,197	Interurban Building***	134	Under Construction	
2006	4,271 *	4,642	3,482	Camden Farmers Market, Ph. 2***	285	Under Construction	
2007	4,707 *	5,116	3,572	1407 Main***	90	Under Construction	
2007	4,707 *	5,116	3,640	1415 Main (Gulf States Building)***	68	Under Construction	
2007	4,707 *	5,116	3,800	Santa Fe #4	159,791	160	Planned
2007	4,707 *	5,116	3,891	The Lofts at Thanksgiving Square***		91	Planned
2007	4,707 *	5,116	3,995	Merryvale***		104	Planned
2007	4,707 *	5,116	4,222	Gables at Republic Center***		227	Under Construction
2007	4,707 *	5,116	4,505	1200 Main (Metropolitan)***		283	Under Construction
2008	5,143	5,590	4,937	Fidelity Union***		432	Planned
2008	5,143 *	5,590	4,962	1414 Elm	35,000	25	Planned
2008	5,143 *	5,590	5,337	Mercantile block	500,000	375	Planned
2009	5,579 *	6,064	5,397	One Arts Plaza***		60	Planned
2009	5,579 *	6,064	5,557	Continental Building	304,860	160	Planned
2009	5,579 *	6,064	5,737	211 N. Ervay***	180,000	180	Developer Interest
2009	5,849 *	6,357	6,137	Tower Petroleum/1900 Pacific	400,328	400	Planned
2009	5,849 *	6,357	6,156	1600 Elm	19,210	19	Planned
2009	5,849 *	6,357	6,654	1600 Pacific	498,270	498	Planned
2009	5,849 *	6,357	6,702	1604 Main	47,720	48	Developer Interest
2009	5,849 *	6,357	6,860	Praetorian Building	157,991	158	Developer Interest
2010	6,015 *	6,538	6,860				
2010	6,015 *	6,538	7,062	Atmos block	86,586	202	Planned
2010	6,015 *	6,538	7,642	511 Akard	580,000	580	Developer Interest
2011	6,181 *	6,719	7,880	Federal Reserve Building	237,643	238	Developer Interest
2015	6,846 *	7,442	8,070	Mercantile Commerce Building	190,221	190	Developer Interest
2020	7,678 *	8,345	8,152	1954 Commerce	81,800	82	Developer Interest
2022	8,010 *	8,707	8,389	500 South Ervay	614,176	237	Developer Interest
2023	8,176 *	8,887	8,514	Crozier Tech	125,058	125	Developer Interest
2026	8,675 *	9,429	8,836	Jackson Building	322,596	323	Developer Interest
2027	8,841 *	9,610	9,348	Dallas Grand	511,584	512	Developer Interest
2027	8,841 *	9,610	10,685	Elm Place	1,336,894	1,337	Developer Interest
2030	9,340 *	10,152	10,685				
					8,887		

*Straight-line interpolation between NCTCOG estimates

**Assumes NCTCOG household count and 92% occupancy

***Outside Downtown Connection TIF Zone

EXHIBIT A

Project & Financing Plan for Downtown Connection TIF District

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Section 2

Project Plan Improvements

The public improvements enumerated in the Project Plan provide for approximately \$231 million for the public improvement categories listed below:

I. Catalyst Project – The Zone’s only catalyst project included the Mercantile block, Continental Building, and Atmos Energy Buildings (including, but not limited to, environmental remediation, demolition, historic façade restoration, street and utility improvements, streetscape improvements, machinery, equipment, materials, and supplies). The Mercantile Block was completed 2009, the Phase I of the Atmos Complex project and the Continental Building were completed in 2013. Phase II of the Atmos Complex project will be completed 2016.

II. Redevelopment of Vacant/Underutilized Downtown Buildings, Undeveloped/Underdeveloped Parcels, and Surface Parking Lots – This category includes TIF eligible expenditures for design, engineering and construction costs for environmental remediation, interior and exterior demolition, façade improvements, historic façade restoration and Economic Development TIF Grants for TIF projects in the Zone further described below.

I and II:

A. Environmental Remediation, Interior/Exterior Demolition, Historic Facade Restoration Improvements/ Easements and Fire Safety Improvements/Grants. Downtown Dallas has several buildings that have been financially unfeasible to redevelop because of the cost of environmental remediation of asbestos, lead-based paint and other contaminants, interior and exterior demolition costs, façade improvement costs and fire accessibility issues. Interior and external demolition expenses are tied directly to the remediation expenses. These costs are TIF eligible expenditures. Remediation of environmentally hazardous materials and associated improvements, using TIF funds, greatly improves the marketability of these buildings. This budget category is necessary for attracting a high impact mixed use project to the TIF District and to attract new retail activity in the ground floor of buildings in the downtown area.

Historic facade restoration improvements and new construction under this program will be reviewed for compliance with design guidelines to ensure compatibility with other improved structures and investment in the area.

B. Acquisition and restoration of historic sites. The vacancy rate in historic buildings in the downtown area is high. Acquisition and restoration of historic buildings by public entities will be supported as an eligible Project Cost to enable the redevelopment of these structures. Only buildings that are designated as a local historic landmark or listed on the National Register of Historic Places will be eligible for assistance under this program. The intent of this program is to

support and preserve these recognized historic landmarks within the Downtown Connection TIF District.

Acquisition of a conservation or beautification easement may preserve the architectural (i.e., aesthetic) effects of these buildings enhancing the facade of new or redeveloped structures downtown. The City of Dallas, using TIF funds, can acquire such an interest in these architecturally or aesthetically significant structures in the District, leaving the maintenance to the property owner. Facade easements may include funding for projects where additional facade expenditures are needed to ensure that new construction is compatible with historic buildings, particularly with regard to building quality.

State law has been amended to permit the Downtown Connection TIF District to consider making direct grants to accomplish these purposes.

As part of the Catalyst Project, TIF funds may be used to purchase or re-purchase a vacant property or building and costs related to purchasing the building and developing a redevelopment plan for the building, consistent with the economic development objectives of the Downtown Connection TIF District.

C. Street and utility improvements. This category includes TIF eligible expenditures for street paving and related items, infrastructure upgrades/relocation (water, wastewater, storm sewer), and burial of overhead utilities.

D. Streetscape Improvements. The category includes lighting, sidewalk and infrastructure improvements, expanding linkages between the downtown core, the DART light rail system, the Farmers Market, the Arts District, the Convention Center, Deep Ellum, Dallas County offices and Uptown Districts to enhance pedestrian and vehicle continuity and other streetscape improvements related to specific projects.

E. Land Acquisition. The City may consider acquiring property by using eminent domain, if necessary and to the extent permitted by law, to implement the TIF Plan. Potential land acquisitions may include: Properties needed for pedestrian safety and accessibility;

- Park sites described in the Downtown Park Master Plan, that supports the Downtown Connection TIF District, in accordance with Downtown Dallas 360 Area Plan;
- Key development sites, which may be:
 - a) Locations adjacent to park sites in the Downtown core, or
 - b) Locations identified in the City Center TIF District Parking Strategy study as priority locations for public parking, or
 - c) Land or rights to land obtained for a redevelopment project in accordance with a development agreement.

F. Mixed Income Housing. This category supports the Zone's mixed income housing requirement for residential projects. A minimum of 10 percent of the total number of residential units developed in the Zone must meet 80% of the area median income. The funds in this line item may be used to offset the costs of providing affordable housing within the boundaries of this Zone and the greater downtown area only.

G. Economic Development TIF Grants. Direct TIF grants for vacant/underutilized buildings, undeveloped/underdeveloped parcels and existing surface parking lots may be provided if TIF funds necessary to make a project feasible exceed TIF eligible costs. The project must support the Zone's goals and objectives.

II. Uptown/Downtown Connection Improvements. This category included projects that enhance pedestrian accessibility and provide public activity areas, as well as other enhancements for the Uptown and Downtown areas. Development of the Woodall Rodgers Deck/Park was a priority project for the Downtown Connection TIF District and funds dedicated to this line item were to be used to fund the City portion of the project's cost. Alternatively, the City used 2006 General Obligation Bond proceeds to fund the City's portion of the Klyde Warren Deck Park and Cedar Springs Median improvements because TIF funds were not available. The Klyde Warren Deck Park opened in 2012. As a result of the completion of the deck park and median improvements, funds originally allocated to this line item will be reprogrammed to the Redevelopment of Vacant/Underutilized Downtown Buildings, Undeveloped/Underdeveloped Parcels, and Existing Surface Parking Lots budget line item.

IV. Park and plaza design and acquisition. Public open space is an important amenity in a Downtown area. Several projects can help accomplish this objective using the Downtown Dallas 360 Area Plan as a primary guide. Funding would be provided for design and land acquisition as necessary for implementation.

V. Mixed Income Housing. This category supports the Zone's mixed income housing requirement for residential projects. A minimum of 10% of the total number of residential units developed in the Zone must meet 80% of the area median income. The funds in this line item may be used to offset the costs of providing affordable housing within the boundaries of this Zone and the greater downtown area only, in the form of a TIF Grant.

VI. Ground Floor Activation/Streetscape Improvements. This category supports ground floor activation and/or occupancy that is contiguous by filling vacant gaps at the ground floor plane and will be in the form of a TIF Grant. The use of funds in this category will be guided by the Downtown 360 Plan's Main Street Activation Strategy which provides recommendations for street level vibrancy, including retail activation, tenant mix, branding and design as well as storefront improvements, façade renovation, blank wall activations, outdoor/patio dining, cafes in public open spaces and glass box retail. Funds from this line item will be used in the Zone and the greater downtown area, if it benefits the Zone, in accordance with a Ground Floor Activation Program.

This category funded streetscape improvement projects, including decorative screening of surface parking lots within the District. A fencing program was completed in 2007 installing enhanced fencing along commercial surface parking lots located within the City Center TIF District. Remaining funds in this line item will be dedicated solely to funding a Ground Floor Activation Program.

VII. Administration and Implementation. Administrative costs, including reasonable charges for the time spent by employees of the municipality and/or employees associated with any non-profit groups established to assist with implementation within the TIF District will be eligible for reimbursement as project costs, upon approval by the TIF Board of Directors and in connection with the implementation of the Downtown Connection TIF Project Plan and Reinvestment Zone Financing Plan. Other related administrative expenses including legal fees and consulting fees of the City, management expenses, meeting expenditures and equipment are included in this category.

VIII. Non-project Costs. It is anticipated that the City may make economic development loans or grants either to the Downtown Connection TIF District or to the DDDA (hereinafter defined), in furtherance of implementing this Plan. Should such loans or grants be made, consistent with the financing documents authorizing the issuance of bonds or other obligations issued by the DDDA to finance project costs, tax increments may be transferred to the City, in an amount not to exceed \$15,000,000, to reimburse the City for the funds made available by any such Chapter 380 economic development loans or grants in furtherance of the implementation of this Plan, and fulfilling the public purposes of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District. All bonds issued by the DDDA are subject to City Council approval and to minimize the exposure to the City's general funds revenues, the DDDA shall maintain sufficient debt reserve accounts and coverage ratios.

Planned Private Development

- 5,600 residential units in Downtown
- 3,200 additional units in Uptown
- Absorption of 3,000,000 square feet of the currently vacant office space in the District
- Absorption of 125,000 square feet of retail space in Downtown
- Absorption of 250,000 square feet of retail space in Uptown
- Absorption of 800,000 square feet of new office space in Downtown
- Absorption of 800,000 square feet of new office space in Uptown
- Creation of 20 acres of park and open space
- Leverage funding for improved connectivity between Downtown and Uptown.
- Restore property value "inside the Loop" to levels above the 1990 value

The total increased property value is forecasted to be approximately \$4 billion. The Downtown Connection TIF District's assessed tax value in 2004 was \$465,185,699.

The cumulative incremental property tax revenue potential of the planned development will be approximately \$231 million (net present value) in public improvement projects.

TIF District Policy Considerations

Mixed Income Housing Policy. Ten percent of all housing units provided by projects using TIF funds must meet the City and County established criteria for affordable housing. Affordable housing units are those which are affordable to a household earning 80 percent or below of the median family income for the Dallas metropolitan area. A developer may, subject to City and County approval, and subject to the City Center TIF District Mixed Income Housing Policy, propose an alternative means of fulfilling the City's and County's affordable housing requirement. If the Policy allows affordable housing outside the City Center TIF District, and those units are placed within the boundaries of another TIF district, the developer must also secure approval for the affordable housing units within the respective district's boundaries from the respective TIF district's board of directors unless that board formally declines to review the project.

Business Inclusion and Development (BID) Plan. All TIF-funded projects must follow the City's adopted Business Inclusion and Development Plan. This policy outlines goals for certified Minority and Women-Owned Business (M/WBE) participation in publicly funded infrastructure projects. The BID Plan goal is 25 percent for construction of public improvements. The goal for private improvements is negotiated in the development agreement. The process for BID compliance and City oversight will be negotiated with City staff and included in the development agreement for each individual project.

Creating Permanent Jobs for Area Residents. TIF applicants must agree to sponsor job fairs or other programs to attract neighborhood residents to any permanent jobs created in the development.

Design Review/Peer Review Process. All new projects developed in the district shall be required to follow a peer review process. Conformance to design standards for non-TIF funded projects is voluntary but strongly encouraged to maintain the design focus of the implementation of the Downtown Connection TIF Plan.

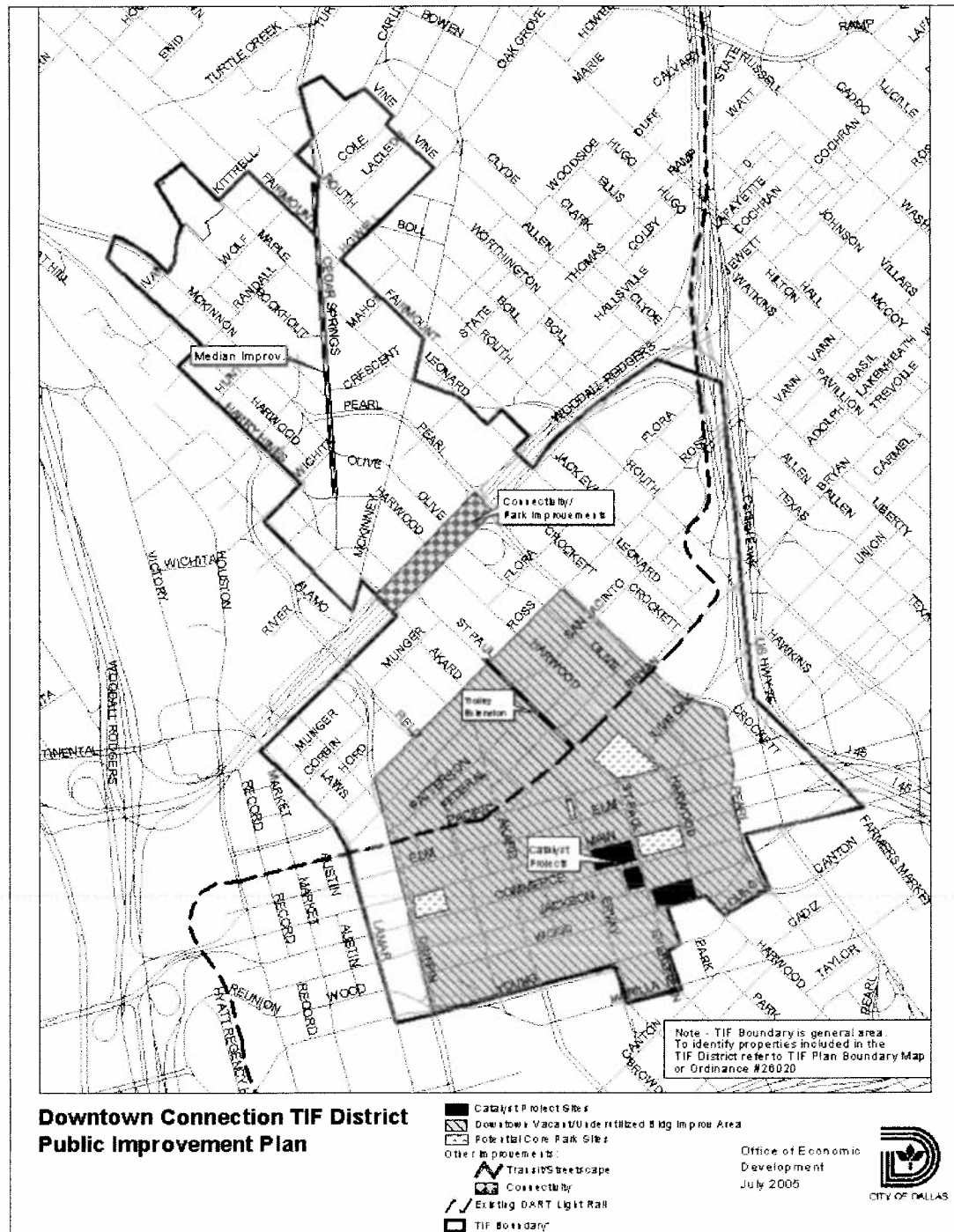
Existing Resident Displacement. The Act requires that existing resident displacement be minimized.

Eminent Domain. The City may consider the use of eminent domain as necessary and convenient to implement the Downtown Connection TIF project and financing plan. Potential land acquisitions with eminent domain may include:

- Properties needed for pedestrian safety and accessibility;
- Park sites described in the CBD Park Master Plan;
- Key development sites, which may be:
 - a) Locations adjacent to park sites in the Downtown core; or
 - b) Locations identified in the City Center TIF District Parking Strategy study as priority locations for public parking, or

- c) Catalyst Project.
- d) Land or rights to land obtained for a redevelopment project in accordance with a development agreement.

Exhibit F Downtown Connection TIF District Public Improvement Plan



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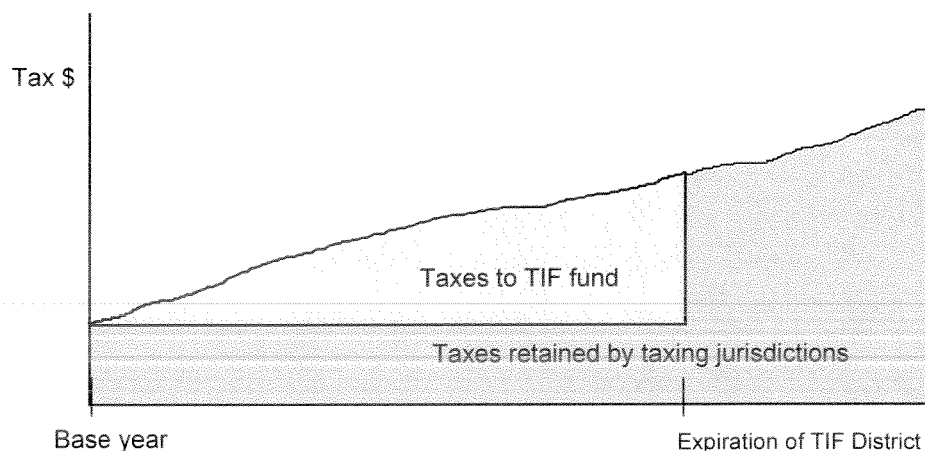
Section 3: Financing Plan

Tax increment financing ("TIF") is a tool local governments of Texas have used since 1986 to finance public improvements within defined areas that have unique challenges and opportunities for economic development. The improvements strengthen existing communities and attract investment. Statutes governing TIF are in Chapter 311 of the Texas Tax Code.

A municipality makes an area eligible for tax increment financing by designating a reinvestment zone. The additional tax dollars generated by growth of real property value flow to a "tax increment financing fund" ("TIF fund") for a specified term of years. Money flowing to the TIF fund each year is disbursed according to a plan approved by a TIF board and the City Council, as prescribed by statutes and the ordinance designating the reinvestment zone. The Fund may be used to make grants in furtherance of the development for the District and for public improvements within the reinvestment zone. TIF funds may also to be used for public improvements at places of public assembly, such as a park, or for affordable housing, even though outside the zone.

The illustration below shows how tax from real properties in a TIF zone flows to a taxing jurisdiction and to a TIF fund. This assumes real property values in the TIF zone rise soon after the zone's designation.

Real Property Tax Flow with Tax Increment Financing



Inclusion of property in a TIF zone does not change any tax rate for the property. Tax rates in a TIF zone are the same as tax rates outside the zone and within the same set of taxing jurisdictions.

Once the public improvements are completed and paid for, the TIF is dissolved and the full amount of the taxes collected in area are kept by the taxing jurisdictions. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Also, taxing jurisdictions are not restricted from raising their tax rates during the life of the zone.

Financing Plan

The Reinvestment Zone Financing Plan provides for incremental financing, and predicts revenues for the Downtown Connection TIF District. Exhibit L compares the last adopted budget for the Zone to the amended budget below.

Exhibit G: Downtown Connection TIF District Amended Improvements Budget

*Project costs are public improvements and grants paid or reimbursed by the District.
Projects cost may be changed in subsequent project and financing plan amendments.*

Category	Amended NPV Budget (2006) ¹	Estimated Total Dollars TIF Budget ²
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, Economic Development TIF grants, affordable housing	\$152,653,168	\$309,043,392
Uptown/Downtown connection improvements³	\$0	\$0
Park and plaza design and acquisition	\$1,500,000	\$3,534,594
Affordable Housing⁴	\$3,000,000	\$3,000,000
Ground Floor Activation/Streetscape Improvements⁴	\$1,985,000	\$1,985,000
Downtown Area Plan⁴	\$515,000	\$515,000
Administration and Implementation	\$3,940,386	\$9,285,109
Debt Service (Interest Only)		\$150,363,000
Total	\$231,593,554	\$545,726,096

¹Amended NPV Budget values discounted to 2006 dollars at 5% discount rate.

²Amended Total Dollar values reflect estimated total collections over the life of the District. These values will fluctuate annually.

³Funds allocated to the Uptown/Downtown connection improvements line item have been

reprogrammed to the Redevelopment line item.

⁴*Funds for the Affordable Housing, Ground Floor Activation/Streetscape Improvements, and Downtown line items are in cash.*

Financing Method. The City's current policy for financing TIF projects is for private groups to advance funds for public improvements in the reinvestment zone or to have funds paid directly from the Downtown Connection TIF District Fund as funds become available. The City has financed all its prior TIF District projects on a pay-as-you-go basis. Advances may be repaid by the future cash flows to the Downtown Connection TIF District fund. Taxing jurisdictions need not guarantee these loan repayments with any other source. The City of Dallas, using TIF funds, may purchase facade easements for specific buildings. In addition, other public improvements included in the Project Plan may be funded directly from the Downtown Connection TIF District funds, as incremental revenue is available.

In connection with the shift in approach from funding seed project to focusing resources into a large catalyst project, the City may consider using the TIF fund to reimburse project cost principal and interest and other financing costs. The City may negotiate with financial institutions to secure bonds or other obligations, or lines of credit, to aid in the funding of two categories of projects within the TIF zone, using any financial instrument, subject to City Council approval of the note or credit line or issue bonds or other obligations for:

- Catalyst Project: These were public improvements related to the Mercantile Block, Atmos Complex and Continental Building for which total project investment from all sources will exceed \$100,000,000;
- Accessibility/safety projects: These are public improvements to achieve greater safety or accessibility and to foster redevelopment of small commercial structures.
- Other projects so determined by the Downtown Connection TIF District Board of Directors and the City Council.

The City of Dallas created a local government corporation called the Dallas Downtown Development Authority ("DDDA") to assist with the development of TIF improvements in the zone. The City, in its name or through the DDDA, may issue bonds or other obligations ("Bonds") in an aggregate principal amount estimated to be \$66 million to aid in the funding of project costs within the Downtown Connection TIF District, secured in whole or in part with City general fund annual appropriation of Chapter 380 grants and/or tax increment revenues, subject to City Council approval of the issuance of such Bonds. Bonds may be issued to fund capitalized interest and reserve funds for the Bonds. In addition, the DDDA may seek to obtain a line or letter of credit to support activities consistent with the objectives of this Plan.

Financing Policy and Long Term Financing. The goal of the Downtown Connection TIF District is to leverage increment accrued to maximize development in the District. It is the intention of the Board of Directors that the increment received initially goes to

catalyst projects such as the Mercantile block, Continental Building, and Atmos Energy Buildings.

It is anticipated that the City, the Downtown Connection TIF District Board of Directors and the will DDDA enter into an agreement pursuant to which:

- TIF revenues would be transferred from the TIF fund to the DDDA.
- The City delegates to the DDDA certain duties and responsibilities concerning implementation of the project plan
- The DDDA agrees to use the funds received to secure bonds and agrees to assume the duties and responsibilities delegated to it by the City, subject to the conditions of the agreement.

Expected Revenues. Exhibit H is a list of developments anticipated in the Downtown Connection TIF zone through 2027. Some of the identified developments will probably not occur, while other development projects likely will replace them. This schedule represents the best estimate of anticipated development in the area. Actual timing, floor area, uses and other attributes of the identified developments may differ from the schedule.

Unit values supporting appraisal estimates in Exhibit H are based on observations of values assigned to comparable developments by the Dallas Central Appraisal District (DCAD). Actual construction costs or trading prices may differ. Because tax increments are measured by DCAD values, these are the relevant measures of value for a TIF financing plan. To show the reasonableness of appraisal estimates in this plan, Exhibit I presents 2004 appraisals by DCAD of several properties in the TIF zone and nearby that are believed similar to the forecast development.

Within the next twenty years, the anticipated pace of development will likely consume much of the vacant land in the zone north of Woodall Rodgers Freeway. There is also strong probability that some land with existing structures in 2005 will redevelop within that time horizon.

The sites anticipated for redevelopment with the Downtown Connection TIF zone may constitute most of the redevelopment in the zone through 2027, although some unnamed sites will inevitably substitute for listed sites. Further redevelopment on both sides of Woodall Rodgers Freeway after 2027 is likely, but not forecast in this analysis for two reasons: (1) Tax increments are estimated to flow to the TIF zone for only twenty-two years (the legal life of the TIF is thirty years); (2) Forecasts further into the future become marginally reliable.

Based on the development projects identified in Exhibit H and other stated assumptions, Exhibit J estimates annual City/County real property taxes from the TIF zone and annual percentages and amounts of the real property tax growth increment reinvested each year in the Downtown Connection TIF fund. Cumulative increased property value is expected to be approximately \$4 billion during the 30-year term of the TIF District. Projects assume a 90% reinvestment rate for the City during the 30-year life of the TIF and 55% from the County with a term of 20 years or until the Project Cost Budget of

\$231 million is reached. The County's contribution is capped at a net present value of \$18.5 million. The final terms of the County's contribution of its tax increment has been set forth in an inter-local participation agreement between the City and the County.

Financial Assumptions

The key factors influencing the financial feasibility study and its conclusions are the financial assumptions that have been adopted.

Inflation. The generally accepted inflation for construction costs and the value of improvements is 3.0% per annum. Based on current market rates, net present values of the tax increment were calculated at a discount rate of five percent per annum.

Appreciation. Property appreciation is assumed to be 2.5% per annum on average.

Tax Rate Changes. Although tax rates will certainly increase during the 30-year development period, the financial plan conservatively assumes that the tax rate will remain constant for the life of the Downtown Connection TIF District, except to incorporate tax rate changes when known.

Remittance to the TIF Fund. The City of Dallas will participate at a rate equal to approximately 90% of incremental value during the 30 year term of the TIF or until the budget of \$231 million (net present value) is reached and Dallas County will participate at a rate of 55% of incremental value during the first 20 years of the term. Dallas County's participation is capped at a net present value of \$18.5 million.

Financial Feasibility

The private development plans, public improvement program, general financing strategy and financial assumptions were all included in an economic feasibility study prepared by Stein Planning and Management. The study is intended to be used as part of the economic feasibility study for the District in accordance with the provisions of Section 311.011, Texas Tax Code, and is available upon request.

Cumulative increased property value is expected to be approximately \$4 billion during the 30-year term of the TIF District.

The TIF District projections provide for increment collections over the entire 30-year life of the District.

On a strict "pay-as-you-go" basis, the progress of the public improvements portion of the development program is a direct result of the revenues received (and matched by the City's contributions). Therefore, if revenues exceed these projections, then the public improvements can be completed ahead of schedule. If revenues do not meet expectations, then the pace of public improvements will be slowed or discontinued.

altogether based upon the advice of the Board of Directors and the approval of the City Council.

Based upon a set of TIF District assumptions and analysis of the project and financing plan, the Downtown Connection Board of Directors has concluded that the plan is feasible.

Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program that was first approved by the City Council on March 13, 1996. This program provides a framework for development incentives in a variety of areas. Within this framework the Downtown Connection Board of Directors has adopted specific policies for the Downtown Connection TIF District:

- The Catalyst Project (Mercantile Block, Atmos Complex, and Continental Building) was recognized as a major component of the Downtown Connection TIF District Public Improvement Plan, therefore, the majority of increment accrued will be set aside for such projects.
- Public improvements will be phased at a pace that coincides with private development.
- Private developers desiring City participation in cost-sharing for infrastructure improvement needs for their projects must sign a Development Agreement with the City.
- Each Development Agreement is mutually exclusive - that is, the nature and extent of support with public funds may change over time as the District becomes more developed.
- The City may negotiate with financial institutions to secure notes or lines of credit to aid in the funding of two categories of projects within the TIF zone, using any financial instrument, subject to City Council approval of the note or credit line, or issue certificates of obligation or TIF bonds for catalyst projects and accessibility/safety projects as described earlier in the Project Plan.
- If a developer needs infrastructure improvements constructed at a time when sufficient funds are not available in the TIF Reserve Fund, then improvements may be:
 - ~ deferred until funds are available
 - ~ constructed at the sole expense of the developer
 - ~ constructed at developer expense, with the City reimbursing the developer as funds become available

- Private development must substantially conform to "private development design guidelines" adopted by the Downtown Connection Board of Directors in order to receive cost participation benefits for infrastructure improvements.

The Downtown Connection TIF Board may from time-to-time recommend amendments to these financial policies which will affect the operations of the TIF District.

Should project costs be paid that directly benefit the developer of a catalyst project, such as the acquisition of machinery, equipment, materials and supplies, or grants made to a developer as permitted by Chapter 311, Texas Tax Code, the City will establish sufficient controls to ensure that the expenditure does result in the public purpose being carried out and that the public is protected in the use of public funds, such as the tax increment revenues, for the intended result.

The DDDA may undertake such activities as determined by the City Council to be necessary or convenient to implement the Plan, including the issuance of bonds or other obligations to finance the payment of project costs. No such bonds or other obligations shall be issued by the local government corporation without prior City Council approval.

The City reserves the right to amend this plan to provide for the establishment of a "sales tax increment" collection process, as permitted by Chapter 311, Texas Tax Code.

Other Financial Benefits

New residents of Downtown will spend for goods and services subject to sales tax. Because the City has a one-cent sales tax, this generates municipal revenue. Exhibit K estimates City sales tax attributed to new Downtown residences. The schedule makes no allowance for a share of purchases by Downtown residents outside Downtown, but it assumes these external purchases will be offset by purchases from tourists, convention attendees and visitors from outside Downtown who will be drawn to spend more time Downtown. Many of the buildings that will be adapted for residential use with help from the TIF program are expected to use ground level space for retail tenants or restaurants.

The Dallas Independent School District is not expected to participate in the Downtown Connection TIF program. State law governing school funding since September 1999 makes TIF participation generally unattractive for a school district. Nevertheless, the DISD will receive a windfall from the Downtown Connection zone estimated at roughly \$1.8 billion over forty years. All DISD tax projections bear risk that new Texas law may cap the rate of local property tax a school district may levy.

Conclusions

Based upon a set of assumptions and analysis of the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan, the Downtown Connection TIF District Board of Directors has concluded that the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan is feasible.

The success of the Downtown Connection TIF District development will allow downtown Dallas to become more of an activity center. The new residential population base will support downtown Dallas' expanding retail and entertainment activities and enhance the area's overall market image. The success of this program will protect and build on the region's greatest real estate asset.

The Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan was developed with these specific needs in mind.

Exhibit H

Anticipated Redevelopment Projects in Downtown Connection TIF District

Assumptions:

Sites, uses, floor areas and development timing are estimates by consultant and clients.
Some listed developments will not happen; substitution by other development is possible.
Some listed sites require public participation through TIF or other sources.

* Fifteen year tax abatement on Mercantile Tower delays addition to tax roll until 2025 (60% of added value). Ten year tax abatement on Mercantile new construction delays addition to tax roll until 2018 (40% of added value).

** Hunt HQ appraisal is estimated at 21% of added real property taxable value for 2008 through 2017 with the remainder added in 2018.

*** Ashton development reduced by 2/3 because DCAD has added much of the value to the 2005 tax roll.

**** Gables Uptown Development reduced by 15% because DCAD has added value on preliminary construction to the 2005 tax roll.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Site Number/Name	Approximate Land Area (SF)	Primary Use	Floor Area Ratio	Estimated Building Floor Area (SF) (excl. parking)	per BSF	All New Improvements	Less Existing	Net New	Assumed Complete Before Jan. 1.	TIF Increment Arrives on Tax Roll	Net New Improvement Appraisal on Jan. 1 After Completion, If 3.00% Post-Completion Inflation	Net New Appraisal at Completion, Less Condo Homestead Exemptions @ 20% in 50% of Units
North of Woodall Rodgers Freeway												
Wells Fargo Bank - Cedar Springs	17,237	bank	0.23	3,919	\$100	\$391,900	\$0	\$391,900	2006	2006	\$403,657	\$403,657
Ashton***	90,000	apartments	7.37	663,000	\$85	\$18,785,000	\$0	\$18,785,000	2006	2006	\$19,348,550	\$19,348,550
Gables Uptown, Phase 1****	140,000	residential	2.33	326,550	\$75	\$20,817,563	\$0	\$20,817,563	2006	2006	\$21,442,089	\$21,442,089
Uptown Plaza shopping, 1	56,000	retail	0.63	35,000	\$85	\$2,975,000	\$0	\$2,975,000	2006	2006	\$3,064,250	\$3,064,250
ZOM Rosewood	181,724	apartments	1.87	340,538	\$95	\$36,981,760	\$0	\$36,981,760	2007	2007	\$39,233,949	\$39,233,949
Azure	57,000	condos	5.09	290,000	\$160	\$46,400,000	\$0	\$46,400,000	2009	2009	\$46,400,000	\$41,760,000
Ritz Carlton w 70 condos	207,000	hotel/condos	1.50	352,800	\$175	\$61,740,000	\$55,000	\$61,685,000	2008	2008	\$61,685,000	\$61,685,000
Gables Uptown, Phase 2	127,000	res / retail	2.00	296,700	\$75	\$22,252,500	\$0	\$22,252,500	2009	2009	\$22,252,500	\$22,252,500
Stoneleigh Hotel renovations	65,000	condos/hotel	5.30	344,200	\$125	\$20,000,000	\$3,789,000	\$16,211,000	2009	2009	\$16,211,000	\$16,211,000
AMLI Quadrangle	110,000	residential	1.75	192,500	\$85	\$22,750,000	\$0	\$22,750,000	2011	2011	\$22,750,000	\$22,750,000
Accor site	101,000	condos/hotel	2.73	275,730	\$90	\$24,815,700	\$0	\$24,815,700	2019	2019	\$24,815,700	\$22,334,130
Metropolitan site (Centurion)	19,000	condos	3.50	66,500	\$95	\$6,317,500	\$169,000	\$6,148,500	2021	2021	\$6,148,500	\$5,533,650
Lincoln/Corrigan site	126,000	office	0.00		\$95	\$72,000,000	\$19,000	\$71,981,000	2012	2012	\$71,981,000	\$71,981,000
Stoneleigh Tower Condos		condos				\$70,000,000	\$80,000	\$69,200,000	2009	2009	\$69,200,000	\$62,280,000
Maple Terrace renovation	63,226	condos	4.98	315,000	\$85	\$26,775,000	\$820,000	\$25,955,000	2010	2010	\$25,955,000	\$23,359,500
Uptown Plaza shopping, 2	84,000	retail	1.00	84,000	\$85	\$7,140,000	\$0	\$7,140,000	2015	2015	\$7,140,000	\$7,140,000
Greenway site	29,000	mixed	2.00	58,000	\$90	\$5,220,000	\$0	\$5,220,000	2019	2019	\$5,220,000	\$5,220,000
Granite/ Gables	93,426	mixed	-		\$100	\$120,000,000	\$0	\$120,000,000	2014	2014	\$120,000,000	\$108,000,000
St. Ann's Court	60,000	office	0.00		\$100	\$60,000,000	\$0	\$60,000,000	2011	2011	\$60,000,000	\$60,000,000
Ritz Carlton Tower 2	100,482	condos		250,000	\$170	\$105,000,000	\$0	\$105,000,000	2010	2010	\$105,000,000	\$94,500,000
unspecified site	50,000	condos	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2028	2028	\$7,875,000	\$7,087,500
1900 McKinney (Hanover)		office			\$95	\$0	\$0	\$42,000,000	2013	2013	\$42,000,000	\$42,000,000
unspecified sites (infill)	50,000	condos	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2030	2030	\$7,875,000	\$7,087,500
unspecified sites (infill)	50,000	mixed	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2030	2030	\$7,875,000	\$7,875,000
unspecified sites (infill)	60,000	condos	2.50	150,000	\$65	\$9,750,000	\$250,000	\$9,500,000	2030	2030	\$9,500,000	\$8,550,000
Subtotal	1,937,095			\$4,419,437		\$764,486,923	\$6,652,000	\$819,834,923			\$823,376,196	\$761,099,276
South of Woodall Rodgers Freeway												
Aristocrat Hotel renovation	8,477	hotel	11.47	97,241	\$40	\$3,889,640	\$0	\$3,889,640	2007	2007	\$4,126,519	\$4,126,519
1414 Elm	-	apartments	-	35,000	\$75	\$2,625,000	\$300,000	\$2,325,000	2008	2008	\$2,540,590	\$2,540,590
Hunt Headquarters**	61,289	office	6.42	393,553	\$125	\$55,954,280	\$1,554,880	\$54,399,400	2008	2008, 2018	\$59,443,693	\$12,483,176
												\$46,960,518
Mercantile block*	80,000	apartments	6.25	500,000	\$80	\$40,000,000	\$77,550	\$39,922,450	2010	2020, 2025	\$39,922,450	\$15,968,980
												\$23,953,470
1600 Elm	7,300	apartments	2.63	19,210	\$65	\$1,248,650	\$183,940	\$1,064,710	2016	2016	\$1,064,710	
Museum Tower		condos			\$125	\$143,800,000	\$200,000	\$144,000,000	2012	2012	\$144,000,000	\$144,000,000
1900 Pacific	10,836	condos				\$78,615,888	\$0	\$78,632,000	2012	2027	\$78,632,000	\$70,948,800
Tower Petroleum	10,836	hotel				\$17,544,112	\$112,000	\$17,304,000	2012	2027	\$17,304,000	\$17,304,000
Praetorian Building	9,820	apartments	16.09	157,991	\$90	\$14,219,190	\$311,810	\$13,907,380	2021	2021	\$13,907,380	\$13,907,380
1600 Pacific	30,000	apartments	16.61	498,270	\$50	\$24,913,500	\$3,212,990	\$21,700,510	2015	2015	\$21,700,510	\$21,700,510
500 South Ervay	110,853	apartments	5.54	614,176	\$65	\$39,921,440	\$1,391,470	\$38,529,970	2011	2011	\$38,529,970	\$38,529,970
Atmos block	75,000	apartments	3.33	250,000	\$75	\$18,750,000	\$581,890	\$18,168,110	2015	2015	\$18,168,110	\$18,168,110
Wood building								\$15,000,000	2014	2014	\$15,000,000	\$15,000,000
Dallas Grand	56,738	apartments	9.02	511,584	\$75	\$38,368,800	\$5,720	\$38,363,080	2021	2021	\$38,363,080	\$38,363,080
Federal Reserve Building	125,860	apartments	1.89	237,643	\$50	\$11,882,150	\$3,524,200	\$8,357,950	2021	2021	\$8,357,950	\$8,357,950
1712 Commerce	10,000	apartments	19.02	190,221	\$50	\$9,511,050	\$1,294,900	\$8,216,150	2015	2015	\$8,216,150	\$8,216,150
1954 Commerce	25,000	apartments	3.27	81,800	\$50	\$4,090,000	\$6,790	\$4,083,210	2020	2020	\$4,083,210	\$4,083,210
Santa Fe #4	35,632	hotel	4.48	159,791	\$90	\$14,381,190	\$719,820	\$13,661,370	2011	2011	\$13,661,370	\$13,661,370
1604 Main	7,650	apartments	6.24	47,720	\$50	\$2,386,000	\$5,050	\$2,380,950	2022	2022	\$2,380,950	\$2,380,950
1613-1615 Main/1614 Elm		retail/office			\$75	\$2,894,850	\$325,000	\$2,569,850	2025	2025	\$2,569,850	\$2,569,850
Elm Place	80,933	apartments	16.52	1,336,894	\$50	\$66,844,700	\$4,810,299	\$62,034,401	2025	2025	\$62,034,401	\$62,034,401
Subtotal	746,224			\$5,169,692		\$591,840,440	\$18,618,309	\$568,710,131			\$594,206,894	\$585,258,984
Total	2,683,319			9,589,129		\$1,376,327,363	\$25,270,309	\$1,408,545,054			\$1,417,583,089	\$1,366,358,259

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Exhibit I

Comparable Developments based on DCAD 2004 Appraisals

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Development Name	Address	Improvements	Land	Total Value	Bldg. SF	IV per BSF	Land SF	Land per LSF	Total per BSF	FAR
Mixed use centers										
The Crescent	500 Crescent	\$242,570,000	\$25,984,920	\$268,554,920	1,722,192	\$141	433,082	\$60	\$156	3.98
	3699 McKinney	\$33,269,340	\$6,745,320	\$40,014,660	315,535		224,844			
	3699 McKinney	\$4,255,070	\$1,730,070	\$5,985,140	34,336		57,669			
West Village		\$37,524,410	\$8,475,390	\$45,999,800	349,871	\$107	282,513	\$30	\$131	1.24
Mockingbird Station	5307 Mockingbird	\$51,224,220	\$10,627,060	\$61,851,280	565,675	\$91	379,538	\$28	\$109	1.49
Retail centers										
One-Stop Mini-Mart	2324 McKinney	\$576,860	\$1,423,080	\$1,999,940	3,509	\$164	23,718	\$60	\$570	0.15
Knox Park Village	3001 Knox	\$12,182,090	\$2,798,910	\$14,981,000	81,893	\$149	87,172	\$32	\$183	0.94
Lincoln Park (retail with. grocery)	7700 W. Northwest	\$20,260,770	\$11,299,680	\$31,560,450	153,642	\$132	502,208	\$23	\$205	0.31
Highland Park Village	4201 Mockingbird	\$28,648,860	\$15,918,560	\$44,567,420	230,948	\$124	397,964	\$40	\$193	0.58
HPV parking north of M'bird	4200 Mockingbird	\$0	\$4,108,360	\$4,108,360	0	N.A.	102,709	\$40	N.A.	0.00
Highland Park Village total		\$28,648,860	\$20,026,920	\$48,675,780	230,948	\$124	500,673	\$40	\$211	0.46
Best Buy, CompUSA, Office Max	9358 N. Central	\$21,310,230	\$9,544,770	\$30,855,000	184,996	\$115	636,318	\$15	\$167	0.29
Office buildings										
Chase Tower	2200 Ross	\$151,599,640	\$2,799,830	\$154,399,470	1,250,000	\$121	111,993	\$25	\$124	11.16
Trammell Crow Center	2001 Ross	\$140,591,200	\$2,851,440	\$143,442,640	1,245,324	\$113	95,048	\$30	\$115	13.10
2100 McKinney	2100 McKinney	\$39,810,540	\$8,189,460	\$48,000,000	374,654	\$106	136,491	\$60	\$128	2.74
Fountain Place	1445 Ross	\$121,795,310	\$2,204,690	\$124,000,000	1,297,418	\$94	78,739	\$28	\$96	16.48
1845 Woodall Rodgers	1845 Woodall Rodgers	\$10,278,510	\$1,266,650	\$11,545,160	185,007	\$56	36,190	\$35	\$62	5.11
Residences										
1999 McKinney condos (62)	1999 McKinney	\$32,925,450	\$1,309,414	\$34,234,864	175,482	\$188	29,098	\$45	\$195	6.03
		(Improvement figures are estimates based on 100% of three middle floors.)								
Portobello townhouse condo unit	33xx Blackburn	\$415,870	\$59,130	\$475,000	2,606	\$160	N.A.	N.A.	N.A.	N.A.
Travis Terrace townhouse condo	39xx Travis	\$400,610	\$42,420	\$443,030	2,782	\$144	2,121	\$20	\$159	1.31
Lincoln Park	5445 Caruth Haven	\$35,455,780	\$9,544,220	\$45,000,000	395,377	\$90	636,281	\$15	\$114	0.62
The Abbey	2521 Worthington	\$4,155,550	\$944,450	\$5,100,000	48,082	\$86	29,514	\$32	\$106	1.63
Heights of State Thomas	3015 State	\$14,778,910	\$3,921,090	\$18,700,000	173,545	\$85	122,534	\$32	\$108	1.42
Knox Travis Park	4611 Travis	\$10,962,040	\$537,960	\$11,500,000	137,331	\$80	26,898	\$20	\$84	5.11
	2816 Guillot	\$10,364,586	\$3,185,490	\$13,550,076	171,403		91,014			
	2518 Colby	\$14,849,970	\$5,889,960	\$20,739,930	275,636		175,982			
	2427 Allen	\$8,687,790	\$1,962,210	\$10,650,000	123,754		61,319			

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Uptown Village		\$33,902,346	\$11,037,660	\$44,940,006	570,793	\$59	328,315	\$34	\$79	1.74
Gables at Routh	2600 Cole	\$9,033,540	\$2,128,460	\$11,162,000	142,507	\$63	60,813	\$35	\$78	2.34
Mirabella	2600 Cole	\$9,033,540	\$2,128,460	\$11,162,000	142,507	\$63	60,813	\$35	\$78	2.34
Jefferson at Gaston	2752 Gaston	\$26,158,960	\$4,665,280	\$30,824,240	417,815	\$63	548,856	\$9	\$74	0.76
Block 588 Condos	3110 Thomas	\$13,603,550	\$1,636,450	\$15,240,000	229,074	\$59	51,139	\$32	\$67	4.48
Heights of State Thomas	3110 Thomas	\$16,111,970	\$3,688,030	\$19,800,000	299,362	\$54	115,251	\$32	\$66	2.60
Davis Building	1309 Main	\$12,876,320	\$873,000	\$13,749,320	241,481	\$53	14,550	\$60	\$57	16.60
Majestic Lofts Residences	1900 Elm	\$6,553,000	\$1,200,000	\$7,753,000	126,000	\$52	20,000	\$60	\$62	6.30
Kirby Building	1501 Main	\$9,849,880	\$900,120	\$10,750,000	203,824	\$48	15,002	\$60	\$53	13.59
Gables Concord	3003 Bookhout	\$6,044,580	\$4,755,420	\$10,800,000	138,390	\$44	158,514	\$30	\$78	0.87
Jefferson at the North End	2323 N. Field	\$25,754,460	\$16,395,540	\$42,150,000	623,997	\$41	468,444	\$35	\$68	1.33
Camden Farmers Market	2210 Canton	\$15,823,610	\$5,676,390	\$21,500,000	381,441	\$41	306,832	\$18	\$56	1.24
Wilson Building	1623 Main	\$8,985,000	\$1,740,000	\$10,725,000	250,778	\$36	29,000	\$60	\$43	8.65
Rovello	2610 Allen	\$13,960,180	\$4,727,740	\$18,687,920	397,294	\$35	132,117	\$36	\$47	3.01
Hotels										
The Mansion on Turtle Creek	2821 Turtle Creek	\$16,504,480	\$5,495,420	\$21,999,900	82,976	\$199	157,012	\$35	\$265	0.53
Hotel Zaza	2332 Leonard	\$11,782,940	\$2,918,340	\$14,701,280	102,010	\$116	48,639	\$60	\$144	2.10
	2007 Live Oak	\$3,898,390	\$1,521,000	\$5,419,390	0		43,457			
	2117 Live Oak	\$68,759,606	\$3,484,460	\$72,244,066	535,478		99,556			
	443 Olive	\$5,722,150	\$2,777,810	\$8,499,960	292,056		79,366			
	400 Olive	\$0	\$94,550	\$94,550	0		7,879			
Adam's Mark Hotel		\$78,380,146	\$7,877,820	\$86,257,966	827,534	\$95	230,258	\$34	\$104	3.59
	300 Reunion	\$62,744,660	\$3,287,340	\$66,032,000	657,212		205,549			
	500 S. Stemmons	\$0	\$2,491,750	\$2,491,750	0		177,982			
	201 Reunion	\$0	\$916,180	\$916,180	0		76,348			
	400 S. Stemmons	\$0	\$811,640	\$811,640	0		57,974			
	311 Reunion	\$0	\$237,240	\$237,240	0		16,946			
	300 Hyatt Regency	\$0	\$41,060	\$41,060	0		9,165			
Hyatt Regency Hotel		\$62,744,660	\$7,785,210	\$70,529,870	657,212	\$95	543,964	\$14	\$107	1.21
Hotel St. Germain	2516 Maple	\$500,790	\$540,400	\$1,041,190	8,273	\$61	15,440	\$35	\$126	0.54
	1717 N. Akard	\$24,721,980	\$2,462,520	\$27,184,500	579,037		87,947			
	1717 N. Akard	\$0	\$315,500	\$315,500	0		11,268			
Fairmont Hotel		\$24,721,980	\$2,778,020	\$27,500,000	579,037	\$43	99,215	\$28	\$47	5.84

Building floor area measurements exclude parking garages. Improvement appraisals include garages.

Grocery stores										
Whole Foods Market	4100 Lomo Alto	\$3,382,000	\$1,775,900	\$5,157,900	35,600	\$95	70,236	\$25	\$145	0.51
Kroger Signature	5665 E. Mockingbird	\$2,623,330	\$4,188,550	\$6,811,880	79,228	\$33	349,046	\$12	\$86	0.23

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Exhibit J

Downtown Connection TIF District Increment Projections

Projected TIF Increment Schedule

Tax Year	Total Property Value Estimate ¹	Property Value Growth	Comp. Value Growth	Anticipated Captured Value	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue into TIF * CITY @ 90%	Tax Increment Revenue into TIF ** COUNTY @ 55%	Anticipated Increment Revenue	NPV Anticipated Increment Revenue (2006)
Base 2005	\$561,696,137 (1)								
Base 2009	\$564,917,317 (2)								
1 2006	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,370,108	\$1,208,059		\$1,438,614	\$1,370,108
County 2 2007	\$759,016,948			\$197,320,811			\$230,555		
County 2 2007	\$989,078,707	30.31%	76.09%	\$427,382,570	\$4,450,867	\$2,844,731		\$3,396,536	\$4,450,867
County 3 2008	\$988,341,787			\$426,645,650			\$551,805		
County 3 2008	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$10,691,983	\$6,065,898		\$7,224,872	\$10,691,983
County 4 2009	\$1,595,047,713			\$1,033,501,376			\$1,158,974		
County 4 2009	\$1,512,292,589	-0.22%	169.24%	\$947,375,272	\$17,179,939	\$6,768,369		\$7,886,151	\$17,179,939
County 5 2010	\$1,559,199,640			\$994,432,123			\$1,117,782		
County 5 2010	\$1,539,047,900	1.77%	174.00%	\$974,130,583	\$23,590,942	\$6,849,382		\$8,182,245	\$23,590,942
County 6 2011	\$1,583,755,734			\$1,018,988,217			\$1,332,864		
County 6 2011	\$1,546,807,101	0.50%	175.38%	\$981,889,784	\$29,976,530	\$7,235,640		\$8,557,298	\$29,976,530
County 7 2012	\$1,589,222,014			\$1,024,304,697			\$1,321,658		
County 7 2012	\$1,762,069,405	13.92%	213.71%	\$1,197,152,088	\$37,259,180	\$8,587,172		\$10,247,420	\$37,259,180
County 8 2013	\$1,806,641,969			\$1,241,724,652			\$1,660,248		
8 2013	\$1,804,258,824	2.39%	221.22%	\$1,239,341,507	\$44,397,709	\$8,889,797	\$1,657,062	\$10,546,858	\$44,397,709
9 2014	\$1,877,874,888	4.08%	234.32%	\$1,312,957,571	\$51,600,140	\$9,417,845	\$1,755,490	\$11,173,335	\$51,600,140
10 2015	\$2,188,793,720	16.56%	289.68%	\$1,623,876,403	\$60,083,973	\$11,648,065	\$2,171,204	\$13,819,269	\$60,083,973
11 2016	\$2,464,529,254	12.60%	338.77%	\$1,899,611,937	\$69,535,777	\$13,625,916	\$2,539,876	\$16,165,793	\$69,535,777
12 2017	\$2,692,987,250	9.27%	379.44%	\$2,128,069,933	\$79,620,092	\$15,264,646	\$2,845,336	\$18,109,982	\$79,620,092
13 2018	\$2,823,996,995	4.86%	402.76%	\$2,259,079,678	\$89,815,457	\$16,204,379	\$3,020,502	\$19,224,881	\$89,815,457
14 2019	\$3,137,771,849	11.11%	458.62%	\$2,572,854,532	\$100,873,981	\$18,455,086	\$3,440,035	\$21,895,121	\$100,873,981
15 2020	\$3,351,229,853	6.80%	496.63%	\$2,786,312,536	\$112,279,694	\$19,986,220	\$3,725,439	\$23,711,659	\$112,279,694
16 2021	\$3,443,788,100	2.76%	513.11%	\$2,878,870,783	\$122,601,641	\$20,650,140	\$1,881,376	\$22,531,517	\$122,601,641
17 2022	\$3,512,663,862	2.00%	525.37%	\$2,947,746,545	\$131,826,780	\$21,144,186	\$0	\$21,144,186	\$131,826,780
18 2023	\$3,586,106,060	2.09%	538.44%	\$3,021,188,743	\$140,831,522	\$21,670,987	\$0	\$21,670,987	\$140,831,522
19 2024	\$3,657,828,181	2.00%	551.21%	\$3,092,910,864	\$149,611,058	\$22,185,450	\$0	\$22,185,450	\$149,611,058
20 2025	\$3,736,318,125	2.15%	565.18%	\$3,171,400,808	\$158,184,713	\$22,748,458	\$0	\$22,748,458	\$158,184,713
21 2026	\$3,811,044,487	2.00%	578.49%	\$3,246,127,170	\$166,542,495	\$23,284,470	\$0	\$23,284,470	\$166,542,495
22 2027	\$3,887,265,377	2.00%	592.06%	\$3,322,348,060	\$174,689,189	\$23,831,203	\$0	\$23,831,203	\$174,689,189
23 2028	\$3,972,098,184	2.18%	607.16%	\$3,407,180,867	\$182,646,057	\$24,439,708	\$0	\$24,439,708	\$182,646,057
24 2029	\$4,051,540,148	2.00%	621.30%	\$3,486,622,831	\$190,400,714	\$25,009,546	\$0	\$25,009,546	\$190,400,714
25 2030	\$4,115,568,049	1.58%	632.70%	\$3,550,650,732	\$197,921,727	\$25,468,818	\$0	\$25,468,818	\$197,921,727
26 2031	\$4,156,723,730	1.00%	640.03%	\$3,591,806,413	\$205,167,621	\$25,764,027	\$0	\$25,764,027	\$205,167,621
27 2032	\$4,198,290,967	1.00%	647.43%	\$3,633,373,650	\$212,148,334	\$26,062,189	\$0	\$26,062,189	\$212,148,334
28 2033	\$4,240,273,877	1.00%	654.91%	\$3,675,356,560	\$218,873,453	\$26,363,333	\$0	\$26,363,333	\$218,873,453
29 2034	\$4,282,676,616	1.00%	662.45%	\$3,717,759,299	\$225,352,221	\$26,667,487	\$0	\$26,667,487	\$225,352,221
30 2035	\$4,325,503,382	1.00%	670.08%	\$3,760,586,065	\$231,593,554	\$26,974,684	\$0	\$26,974,684	\$231,593,554
Total						\$515,315,889	\$30,410,206	\$545,726,096	\$231,593,554
2006 NPV @ 5%						\$213,093,554	\$18,500,000	\$231,593,554	

Assumptions:

- City of Dallas expected to participate in the Downtown Connection TIF District for 30 years at a rate of 90%.
- Dallas County participation rate is 55% and is capped at \$18.5M.
- Stream of annual investments in TIF reflects intent to retire TIF obligations after 30 years.
- Property value estimates assume 1% to 2% annual property appreciation and 3% annual inflation.
- The base year was adjusted to \$561,696,137 to accommodate boundary additions and deletions made prior to 2006 bonds sale and to accommodate account consolidations/duplications.
- The base year was adjusted in 2009 to \$564,917,317 to accommodate boundary additions and deletions made in 2008 and to accommodate account consolidations/duplications.
- The projections in this chart are estimated and may fluctuate as a result of any of the following occurrences:
 - Changes in date in which the TIF District may begin releasing TIF funds;
 - Changes in the real property tax rates of participating taxing jurisdictions (City of Dallas and Dallas County);
 - Changes in the participation rate of participating taxing jurisdictions; and/or
 - Completion dates of projects listed in the district's reimbursement queue

Notes:

¹District values in bold print are actual collection amounts for the district; Remaining values are projections.

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Exhibit K**Additional City Sales Tax Attributed to New Downtown Residences in the TIF District****Assumptions:**

Average household has AGI of \$60,000 to \$70,000.
 Average household has 1.3 people (1.3 exemptions).
 Sales tax is based on 2004 IRS tables for Texas.
 City sales tax rate remains at 1% of taxable sales.
 Sales tax paid by Downtown residents outside Downtown equals
 tax on additional Downtown purchases by non-residents.
 No increase of households after 2028.
 No sales tax has been added for building construction materials.

(a)	(b)	(c)	(d)	(e)
	Anticipated Downtown Residential Units	Households @ 92% Occupancy	Households Added After 2005	New Municipal Sales Tax @ \$131 per Added Household Plus Inflation @ 3.00%
Year				
2005	2,701	2,485	0	\$0
2006	3,482	3,203	719	\$96,950
2007	4,222	3,884	1,399	\$194,448
2008	5,397	4,965	2,480	\$355,023
2009	5,557	5,112	2,627	\$387,378
2010	7,062	6,497	4,012	\$609,344
2011	7,880	7,249	4,765	\$745,289
2012	7,880	7,249	4,765	\$767,647
2013	6,137	5,646	3,161	\$524,596
2014	6,137	5,646	3,161	\$540,334
2015	8,070	7,424	4,940	\$869,639
2016	8,070	7,424	4,940	\$895,728
2017	6,702	6,166	3,681	\$687,557
2018	6,702	6,166	3,681	\$708,184
2019	6,702	6,166	3,681	\$729,430
2020	8,152	7,500	5,015	\$1,023,509
2021	8,152	7,500	5,015	\$1,054,214
2022	8,389	7,718	5,233	\$1,133,051
2023	8,514	7,833	5,348	\$1,192,702
2024	6,860	6,311	3,827	\$878,998
2025	6,860	6,311	3,827	\$905,368
2026	8,836	8,130	5,645	\$1,375,624
2027	8,836	8,130	5,645	\$1,416,893
2028	10,685	9,830	7,345	\$1,899,073
2029	10,685	9,830	7,345	\$1,956,045
2030	10,685	9,830	7,345	\$2,014,726
2031	10,685	9,830	7,345	\$2,075,168
2032	10,685	9,830	7,345	\$2,137,423
2033	10,685	9,830	7,345	\$2,201,546
2034	10,685	9,830	7,345	\$2,267,592
2035	10,685	9,830	7,345	\$2,335,620
2036	10,685	9,830	7,345	\$2,405,688
2037	10,685	9,830	7,345	\$2,477,859
2038	10,685	9,830	7,345	\$2,552,195
2039	10,685	9,830	7,345	\$2,628,761
2040	10,685	9,830	7,345	\$2,707,624
2041	10,685	9,830	7,345	\$2,788,852
2042	10,685	9,830	7,345	\$2,872,518
2043	10,685	9,830	7,345	\$2,958,693
2044	10,685	9,830	7,345	\$3,047,454
2045	10,685	9,830	7,345	\$3,138,878
Sum for 40 years:				\$61,557,619

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Exhibit J

Comparison of Downtown Connection TIF District Budget

Downtown Connection TIF District Budget Comparison 2013 Amendment				
Category	Current NPV Budget (2006) ¹	Current Total Dollars TIF Budget ²	Amended NPV Budget (2006) ¹	Estimated Total Dollars TIF Budget ²
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$90,367,206	\$156,652,741	\$152,653,168	\$309,043,392
Uptown/Downtown connection improvements³	\$20,500,000	\$0	\$0	\$0
Park and plaza design and acquisition	\$1,500,000	\$3,095,852	\$1,500,000	\$3,534,594
Affordable Housing⁴	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Ground Floor Activation/Streetscape Improvements⁴	\$1,985,000	\$1,985,000	\$1,985,000	\$1,985,000
Downtown Area Plan⁴	\$515,000	\$515,000	\$515,000	\$515,000
Administration and Implementation	\$3,940,386	\$8,132,568	\$3,940,386	\$9,285,109
Debt Service (Interest Only)		\$150,363,000		\$150,363,000
Total Project Costs	\$189,807,592	\$391,744,162	\$231,593,554	\$545,726,096
¹ Current and Amended values discounted to 2006 dollars at 5% discount rate.				
² Current and Amended Total Dollar values are estimated based on annual TIF District value, project costs, increment collections and Debt Service schedules. These values will fluctuate annually.				
³ Funds allocated to this line item have been reprogrammed to the Redevelopment line item.				
⁴ Funds for the Affordable Housing, Ground Floor Activation/Streetscape Improvements, and Downtown Area Plan line items are in cash.				

Development Goals and Objectives

The Board of Directors adopted development goals that are expected to meet the specific needs of the Downtown Connection TIF District:

- Improve pedestrian connections between and within the Uptown and Downtown areas.
- Improve the appearance of the buildings, surface parking lots, undeveloped sites and parks and open spaces within Downtown Connection area.
- Support redevelopment of the existing building supply and surface parking lots located within the area.
- Develop a more diverse mixture of land uses within the Downtown Connection area
- Increase open space and recreational opportunities in the Downtown Connection area
- After providing incentives for selected catalyst project to accelerate residential development, initiate a long-term plan to achieve critical mass goals related to housing and retail development, and public space amenities needed for a vibrant downtown
- Facilitate private development within the Downtown Connection TIF District for the public purpose of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District.

The following specific objectives set the framework for the planned public improvements within the Downtown Connection TIF District:

- Improve street and pedestrian lighting within the Downtown Connection TIF District.
- Offset the costs of environmental remediation, interior and exterior demolition, fire corridor improvements and facade improvements to encourage redevelopment of underutilized downtown buildings.
- Encourage the redevelopment of surface parking lots and undeveloped/underdeveloped sites, especially those located on key pedestrian linkages, to create residential and retail opportunities and achieve critical mass goals within the district.

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- Ensure new construction and/or redevelopment projects are compatible with surrounding historic buildings, particularly with regard to building design, material quality and pedestrian appeal at ground level.
- Improve key linkages between the DART light rail transit mall and other significant Downtown and Uptown venues by extending streetscape improvements and encouraging street level pedestrian oriented development.
- Promote higher quality development in the Zone through the application of design standards for public improvements and design guidelines for private development within the district.
- Encourage the strategic development of residential housing within the area, including redevelopment of existing buildings, and new construction on existing surface parking lots and currently underdeveloped sites.
- Encourage redevelopment of sites, such as the Arts District Garage site, where development activity was started over fifteen years ago but not completed and are not likely to be completed without some public financial incentives.
- Complement and protect existing historic structures.
- Expand the success of the downtown core to other downtown destinations including the West End, Farmers Market, Klyde Warren Park, and Arts District.
- Provide TIF incentives to fund a Ground Floor Activation Program based on the recommendations of the Downtown Dallas 360 Plan's retail activation strategy.
- Encourage Mixed Income Housing in the Zone and surrounding downtown area by providing TIF incentives to offset the costs of providing affordable housing.

The project costs enumerated in the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan ("Project Plan") require the expenditure of approximately \$231 million, primarily for the Mercantile Block, Atmos Complex and Continental Building ("Catalyst Project") and the redevelopment of vacant and underutilized buildings in downtown, including environmental remediation, interior and exterior demolition assistance, facade improvement assistance, purchase of facade beautification easements, fire corridor improvements, streetscape, street and utility improvements, land acquisition for pedestrian safety and accessibility, park sites, and key development sites, acquisition and restoration of historic sites and grants. In addition, the Project Plan makes Uptown/Downtown connectivity improvements a priority. The Woodall Rodgers Deck/Park will be undertaken early in the term of the TIF District, to the extent funds are available, to create a seamless link between Uptown and Downtown. The Project Plan also provides for a cash contribution for Affordable

EXHIBIT A

Housing that will be funded jointly with the Catalyst Project. These improvements planned for the Downtown Connection TIF District are designed to meet the long-term public needs to secure the growth and investment of the area.

Tax increment financing will be used to assist with these improvements. Utilizing this economic development tool to encourage public infrastructure improvements, the economics of developing market rate housing in the Downtown Connection area and attracting more commercial investment is greatly improved. The Project Plan also provides for extensive public improvements for the redevelopment of vacant and underutilized downtown buildings, streetscaping, connectivity and public use improvements and other amenities which complement existing and anticipated investment in the Downtown Connection area.

2013 Project Plan Amendment

Since 1996, the City Center and Downtown Connection TIF Districts have been successful in incentivizing redevelopment of once vacant or nearly vacant buildings in downtown's core. The TIF District's focus on the downtown core has resulted in 6,765 residential units, 3,589 hotel rooms, 10.3 million square feet of renovated vacant office space and 8.44 acres of park space added within the freeway loop.

In 2011, City Council adopted the Downtown Dallas 360 Area Plan funded by the Downtown Connection TIF District. The plan set forth a shared vision for Downtown's future that provided implementation actions for achieving the vision. The plan is a long-term, strategic guide to ensure Downtown Dallas is a vibrant urban center, by providing clear, targeted recommendations. The recommendations and concepts presented in the plan are intended to be considered when reviewing development, considering public investments and making development decisions.

In conjunction with the Downtown Dallas 360 Plan, a Main Street District Retail Activation Strategy was completed. The strategy aims to create a contiguous downtown core that eliminates gaps in the pedestrian experience created by vacant buildings and ground level space and disjointed streetscape improvements. The Main Street District Retail Activation Strategy's Tool Box provides techniques and methods for achieving a vibrant and active ground level experience for downtown residents, workers and visitors and will be used to guide the district's Ground Floor Activation Program.

The purpose of this amendment is to: (1) expand the downtown core and redevelopment momentum outside of the immediate Main Street area; (2) increase the district's budget to continue to provide a funding source for redevelopment within the downtown core by redeveloping last remaining vacant buildings; (3) strengthen connections between redevelopment occurring in the Main Street district to other destinations downtown; (4) support ground floor activation and occupancy that is contiguous by filling vacant gaps at the ground floor plane in accordance with the Downtown Dallas 360's activation strategy; and (5) provide a source of funding for the

next phase of development within the District which is the redevelopment of surface parking lots, undeveloped or underdeveloped parcels, and underutilized buildings.

Additional increment collections resulting from increasing the Zone's budget should be focused to assist in redevelopment of the remaining vacant and/or underutilized building in the downtown core. A secondary focus of funds should be projects in areas that are contiguous to the core whose improvement will create and/or enhance linkages to other destinations, specifically the West End and Farmers Market where recent TIF District extensions have provided funding for development in those areas.

To be most effective, Downtown Connection TIF District funds should be concentrated in areas where TIF projects are in close proximity to other TIF projects or Districts or areas of City investment, creating large areas of contiguous redevelopment. Providing TIF funding to singular projects scattered throughout downtown is not encouraged.

Economic Development TIF Grant Program

Catalyst Project Economic Development TIF Grant Program

Certain costs of improvements of Mercantile Block, Atmos Complex, and Continental Building catalyst project, as further discussed herein, have become eligible for funding with tax increment revenues under legislative actions taken in 2005. These improvements enumerated in the Project Plan provide for approximately \$39 million in grants of TIF revenues, subject to final construction plans, for costs associated with redevelopment of vacant structures and costs of new development including, but not limited to, equipment, machinery, supplies and materials, to be purchased for the benefit of the catalyst project. The City implemented controls per contract documents sufficient to ensure that all funds provided for the catalyst project are used to fulfill the public purposes of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District.

Excluding only the Catalyst Project approved prior to the issuance of any debt obligations, no other projects receiving TIF funds may be categorized as a catalyst project or shall receive tax abatements within the Zone.

Economic Development TIF Grant Program

TIF grants may be provided to projects that meet Downtown Connection TIF District development goals and specific development objectives. Grants may be provided to facilitate redevelopment of vacant/underutilized buildings, undeveloped/underdevelopment parcels, existing surface parking lots and ground floor activation and occupancy, as well as mixed income housing. An economic development TIF Grant may be used to fund a project in excess of non-grant TIF eligible expenditures, if the project is not feasible but for a TIF Grant.

Direct Lease or Sale of City-owned/ City-controlled Property

The City of Dallas is permitted to directly lease or sell City-owned/City-controlled property within the Downtown Connection TIF District without complying with auction and bidding requirements with the condition that the property is redeveloped in accordance with the Downtown Connection TIF District Plan.

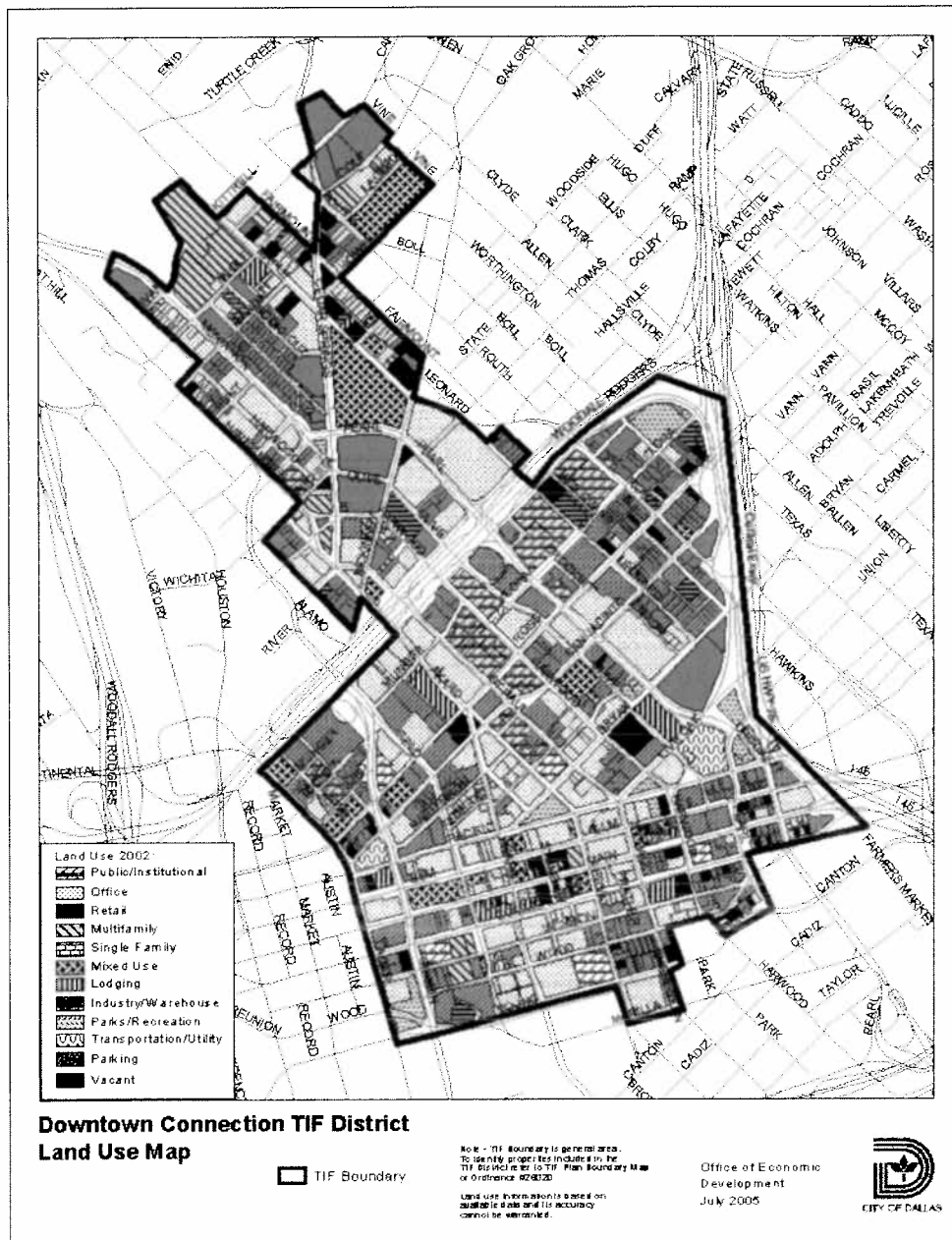
The City of Dallas owned the Dallas Arts District Garage when the Downtown Connection TIF District was established, and the Dallas Arts District Garage is located within the boundaries of the Downtown Connection TIF District. The City of Dallas entered into a new 80-year sub-lease with an option to purchase the Dallas Arts District Garage to a developer, for a minimum of fair market value, beginning January 1, 2009 and assigned the leasehold for the underdeveloped site to a developer for the purpose of, and subject to, restoration and redevelopment in accordance with the objectives of the City in stabilizing Tax Increment Financing Zone Number Eleven, City of Dallas, Texas, and as provided in the Act.

The Atmos Complex, which was donated to the City of Dallas and transferred to Forest City for redevelopment in accordance with the Downtown Connection TIF District Project Plan and is located within the boundaries of the Downtown Connection TIF District. The Atmos Complex was to be redeveloped by Forest City pursuant to the development agreement ("Development Agreement") executed on October 5, 2005. On October 22, 2008, Dallas City Council directed the transfer of the Atmos Complex to Hamilton Atmos LP for redevelopment in accordance with the Downtown Connection TIF District Plan. Should Hamilton Atmos LP fail to obtain a building permit by October 20, 2010, ownership will revert back to Forest City pursuant to the provisions of the City's Development Agreement.

Existing Uses

The Downtown Connection TIF District is a mixed-use area, primarily composed of existing office or vacant office structures, surface parking lots, and undeveloped property. Exhibit C shows the existing land use for the area within the Downtown Connection TIF Boundary (for specific parcels included in the TIF District refer to Exhibit B the TIF Boundary Map).

Exhibit C: Downtown Connection TIF District Land Use



Downtown Connection Area Zoning

The Downtown Dallas area has the highest zoning district classification in the City. Revisions to the central area zoning districts were made at the request of the CDA Housing Committee in 2002 to eliminate some of the less desirable uses and to reduce the parking requirement for residential uses. The encouragement of mixed uses permitted by the zoning district could be a positive force in the creation of an urban neighborhood.

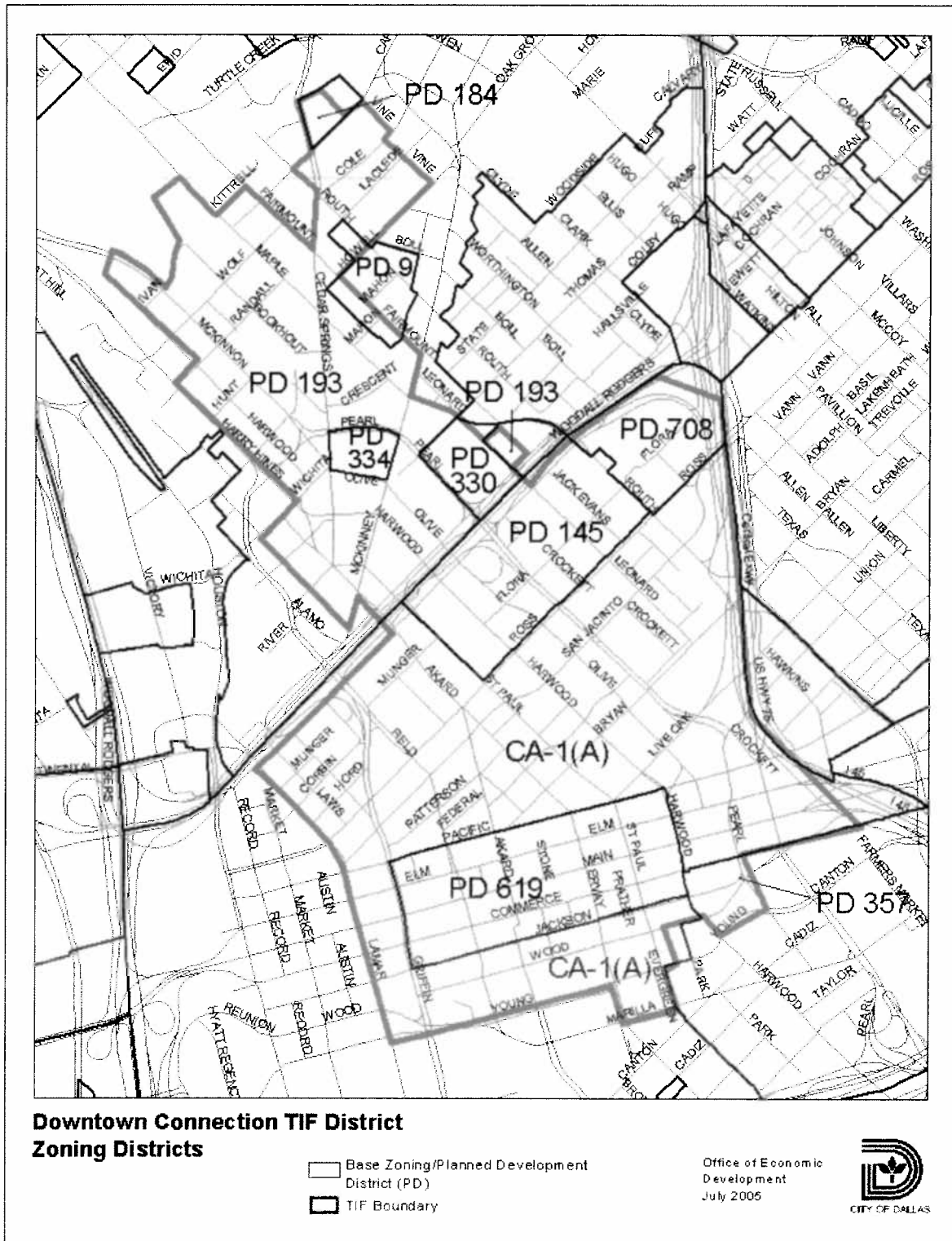
On June 12, 2002, City Council approved Planned Development (PD) District No. 619, establishing use regulations and development standards for the core downtown area bounded by the centerlines of Pacific Avenue, Harwood Street, Jackson Street, and Griffin Street. Other zoning districts in downtown include CA-1(A) Central Area, a portion of PD 357 near the Farmers Market, PD 145 in the Arts District, and PD 708 in the northeast corner.

Zoning districts in the Uptown portion of the TIF District include PD 193 (Oak Lawn), and smaller PDs 9, 184, 330, and 334.

Exhibit D shows existing zoning and the Planned Development Districts in Downtown and Uptown.

The only zoning change contemplated at this time is an amendment for a special provision sign district.

Exhibit D:
Downtown Connection TIF District Zoning



Market Feasibility

The predominant land use in the planned 30-year Downtown Connection TIF District development program is for mixed-use development. If built as planned, the residential and commercial development will create a market for the planned retail component. In addition, the residential development should also drive the demand for new commercial office investment. Therefore, the market feasibility evaluation conducted by the City Center Advisory Committee in January, 1996 is correct in its conclusion that the Dallas Intown/CBD residential development market is still relevant, and is intended, in connection with the preparation of this Plan, to be used as part of the economic feasibility study for the Downtown Connection TIF District in accordance with the provisions of Section 311.011, Texas Tax Code.

The past two decades of Downtown-related urban development activity in the larger U.S. cities has indicated that there is a "pent-up" demand for market rate housing development, but that other land uses more often "outbid" residential projects for prime locations. In addition, the most successful downtown-oriented market rate housing projects have required large enough sites to implement multi-stage developments after an "urban village" atmosphere and residential locational identity are established.

While the appeal of being in downtown has been a key feature of these other projects, both within Dallas and in other cities, the greatest increases in the number of downtown residential units has occurred where a true sense of neighborhood has been created. In addition, there has been a demonstrated need to provide a multi-faceted and self-sustaining destination neighborhood where shopping, professional services, recreation, and suitable entertainment are readily available and accessible in the context of a pedestrian environment.

The type of high density urban development contemplated in the plan will most certainly lead to a need for conveniently located parking facilities. Experience in other downtown districts indicates that high density urban residential development requires convenient, secured parking facilities.

Exhibit E shows a forecast for downtown housing construction comparing the North Central Texas Council of Governments (NCTCOG) Household Forecast for downtown and the residential Pro Forma Downtown Housing Construction Schedule. By 2030, it is estimated that downtown will reach capacity of over 10,600 residential units.

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Exhibit E

Comparison of NCTCOG Household Forecast for Downtown and Pro Forma Downtown Housing Construction Schedule

Conclusion:

The pro forma's pace of Downtown housing additions tracks the forecast by the North Central Texas Council of Governments.
NCTCOG

Compare							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
NCTCOG Forecast of Downtown Households	Residences Needed to Meet NCTCOG Forecast @ 92% Occupancy	Cumulative Downtown Residential Units	After Completion of	Estimated Building Floor Area (SF) (excl. parking)	Approximate Residential Units Added @ 1,000 SF per Unit If Unknown	Status	
2000	1,654	1,798	1,798 **				
2001	2,090 *	2,272	1,806	1611 Main Street Lofts***	8	Complete	
2002	2,526 *	2,746	2,426	Camden Farmers Market, Ph. 1***	620	Complete	
2002	2,526 *	2,746	2,443	Camden Farmers Market Townhouses***	17	Complete	
2003	2,962 *	3,220	2,451	Residences at Jackson***	8	Complete	
2004	3,398 *	3,694	2,634	Davis Building***	183	Complete	
2004	3,398 *	3,694	2,701	1505 Elm Street Condominiums***	67	Complete	
2005	3,835 *	4,168	2,859	Dallas Power and Light***	158	Complete	
2005	3,835 *	4,168	3,063	West End Complex (1001 Ross)	204	Complete	
2005	3,835	4,168	3,197	Interurban Building***	134	Under Construction	
2006	4,271 *	4,642	3,482	Camden Farmers Market, Ph. 2***	285	Under Construction	
2007	4,707 *	5,116	3,572	1407 Main***	90	Under Construction	
2007	4,707 *	5,116	3,640	1415 Main (Gulf States Building)***	68	Under Construction	
2007	4,707 *	5,116	3,800	Santa Fe #4	159,791	Planned	
2007	4,707 *	5,116	3,891	The Lofts at Thanksgiving Square***	91	Planned	
2007	4,707 *	5,116	3,995	Merryvale***	104	Planned	
2007	4,707 *	5,116	4,222	Gables at Republic Center***	227	Under Construction	
2007	4,707	5,116	4,505	1200 Main (Metropolitan)***	283	Under Construction	
2008	5,143	5,590	4,937	Fidelity Union***	432	Planned	
2008	5,143 *	5,590	4,962	1414 Elm	35,000	25	Planned
2008	5,143 *	5,590	5,337	Mercantile block	500,000	375	Planned
2009	5,579 *	6,064	5,397	One Arts Plaza***		60	Planned
2009	5,579 *	6,064	5,557	Continental Building	304,860	160	Planned
2009	5,579	6,064	5,737	211 N. Ervay***	180,000	180	Developer Interest
2009	5,849 *	6,357	6,137	Tower Petroleum/1900 Pacific	400,328	400	Planned
2009	5,849 *	6,357	6,156	1600 Elm	19,210	19	Planned
2009	5,849 *	6,357	6,654	1600 Pacific	498,270	498	Planned
2009	5,849 *	6,357	6,702	1604 Main	47,720	48	Developer Interest
2009	5,849 *	6,357	6,860	Praetorian Building	157,991	158	Developer Interest
2010	6,015 *	6,538	6,860				
2010	6,015 *	6,538	7,062	Atmos block	86,586	202	Planned
2010	6,015 *	6,538	7,642	511 Akard	580,000	580	Developer Interest
2011	6,181 *	6,719	7,880	Federal Reserve Building	237,643	238	Developer Interest
2015	6,846 *	7,442	8,070	Mercantile Commerce Building	190,221	190	Developer Interest
2020	7,678 *	8,345	8,152	1954 Commerce	81,800	82	Developer Interest
2022	8,010 *	8,707	8,389	500 South Ervay	614,176	237	Developer Interest
2023	8,176 *	8,887	8,514	Crozier Tech	125,058	125	Developer Interest
2026	8,675 *	9,429	8,836	Jackson Building	322,596	323	Developer Interest
2027	8,841 *	9,610	9,348	Dallas Grand	511,584	512	Developer Interest
2027	8,841 *	9,610	10,685	Elm Place	1,336,894	1,337	Developer Interest
2030	9,340 *	10,152	10,685				
					8,887		

*Straight-line interpolation between NCTCOG estimates

**Assumes NCTCOG household count and 92% occupancy

***Outside Downtown Connection TIF Zone

EXHIBIT A

Project & Financing Plan for Downtown Connection TIF District

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Section 2

Project Plan Improvements

The public improvements enumerated in the Project Plan provide for approximately \$231 million for the public improvement categories listed below:

I. Catalyst Project – The Zone's only catalyst project included the Mercantile block, Continental Building, and Atmos Energy Buildings (including, but not limited to, environmental remediation, demolition, historic façade restoration, street and utility improvements, streetscape improvements, machinery, equipment, materials, and supplies). The Mercantile Block was completed 2009, the Phase I of the Atmos Complex project and the Continental Building were completed in 2013. Phase II of the Atmos Complex project will be completed 2016.

II. Redevelopment of Vacant/Underutilized Downtown Buildings, Undeveloped/Underdeveloped Parcels, and Surface Parking Lots – This category includes TIF eligible expenditures for design, engineering and construction costs for environmental remediation, interior and exterior demolition, façade improvements, historic façade restoration and Economic Development TIF Grants for TIF projects in the Zone further described below.

I and II:

A. Environmental Remediation, Interior/Exterior Demolition, Historic Facade Restoration Improvements/ Easements and Fire Safety Improvements/Grants. Downtown Dallas has several buildings that have been financially unfeasible to redevelop because of the cost of environmental remediation of asbestos, lead-based paint and other contaminants, interior and exterior demolition costs, façade improvement costs and fire accessibility issues. Interior and external demolition expenses are tied directly to the remediation expenses. These costs are TIF eligible expenditures. Remediation of environmentally hazardous materials and associated improvements, using TIF funds, greatly improves the marketability of these buildings. This budget category is necessary for attracting a high impact mixed use project to the TIF District and to attract new retail activity in the ground floor of buildings in the downtown area.

Historic facade restoration improvements and new construction under this program will be reviewed for compliance with design guidelines to ensure compatibility with other improved structures and investment in the area.

B. Acquisition and restoration of historic sites. The vacancy rate in historic buildings in the downtown area is high. Acquisition and restoration of historic buildings by public entities will be supported as an eligible Project Cost to enable the redevelopment of these structures. Only buildings that are designated as a local historic landmark or listed on the National Register of Historic Places will be eligible for assistance under this program. The intent of this program is to

support and preserve these recognized historic landmarks within the Downtown Connection TIF District.

Acquisition of a conservation or beautification easement may preserve the architectural (i.e., aesthetic) effects of these buildings enhancing the facade of new or redeveloped structures downtown. The City of Dallas, using TIF funds, can acquire such an interest in these architecturally or aesthetically significant structures in the District, leaving the maintenance to the property owner. Facade easements may include funding for projects where additional facade expenditures are needed to ensure that new construction is compatible with historic buildings, particularly with regard to building quality.

State law has been amended to permit the Downtown Connection TIF District to consider making direct grants to accomplish these purposes.

As part of the Catalyst Project, TIF funds may be used to purchase or re-purchase a vacant property or building and costs related to purchasing the building and developing a redevelopment plan for the building, consistent with the economic development objectives of the Downtown Connection TIF District.

- C. Street and utility improvements.** This category includes TIF eligible expenditures for street paving and related items, infrastructure upgrades/relocation (water, wastewater, storm sewer), and burial of overhead utilities.
- D. Streetscape Improvements.** The category includes lighting, sidewalk and infrastructure improvements, expanding linkages between the downtown core, the DART light rail system, the Farmers Market, the Arts District, the Convention Center, Deep Ellum, Dallas County offices and Uptown Districts to enhance pedestrian and vehicle continuity and other streetscape improvements related to specific projects.
- E. Land Acquisition.** The City may consider acquiring property by using eminent domain, if necessary and to the extent permitted by law, to implement the TIF Plan. Potential land acquisitions may include: Properties needed for pedestrian safety and accessibility;
- Park sites described in the Downtown Park Master Plan, that supports the Downtown Connection TIF District, in accordance with Downtown Dallas 360 Area Plan;
 - Key development sites, which may be:
 - a) Locations adjacent to park sites in the Downtown core, or
 - b) Locations identified in the City Center TIF District Parking Strategy study as priority locations for public parking, or
 - c) Land or rights to land obtained for a redevelopment project in accordance with a development agreement.

F. Mixed Income Housing. This category supports the Zone's mixed income housing requirement for residential projects. A minimum of 10 percent of the total number of residential units developed in the Zone must meet 80% of the area median income. The funds in this line item may be used to offset the costs of providing affordable housing within the boundaries of this Zone and the greater downtown area only.

G. Economic Development TIF Grants. Direct TIF grants for vacant/underutilized buildings, undeveloped/underdeveloped parcels and existing surface parking lots may be provided if TIF funds necessary to make a project feasible exceed TIF eligible costs. The project must support the Zone's goals and objectives.

II. Uptown/Downtown Connection Improvements. This category included projects that enhance pedestrian accessibility and provide public activity areas, as well as other enhancements for the Uptown and Downtown areas. Development of the Woodall Rodgers Deck/Park was a priority project for the Downtown Connection TIF District and funds dedicated to this line item were to be used to fund the City portion of the project's cost. Alternatively, the City used 2006 General Obligation Bond proceeds to fund the City's portion of the Klyde Warren Deck Park and Cedar Springs Median improvements because TIF funds were not available. The Klyde Warren Deck Park opened in 2012. As a result of the completion of the deck park and median improvements, funds originally allocated to this line item will be reprogrammed to the Redevelopment of Vacant/Underutilized Downtown Buildings, Undeveloped/Underdeveloped Parcels, and Existing Surface Parking Lots budget line item.

IV. Park and plaza design and acquisition. Public open space is an important amenity in a Downtown area. Several projects can help accomplish this objective using the Downtown Dallas 360 Area Plan as a primary guide. Funding would be provided for design and land acquisition as necessary for implementation.

V. Mixed Income Housing. This category supports the Zone's mixed income housing requirement for residential projects. A minimum of 10% of the total number of residential units developed in the Zone must meet 80% of the area median income. The funds in this line item may be used to offset the costs of providing affordable housing within the boundaries of this Zone and the greater downtown area only, in the form of a TIF Grant.

VI. Ground Floor Activation/Streetscape Improvements. This category supports ground floor activation and/or occupancy that is contiguous by filling vacant gaps at the ground floor plane and will be in the form of a TIF Grant. The use of funds in this category will be guided by the Downtown 360 Plan's Main Street Activation Strategy which provides recommendations for street level vibrancy, including retail activation, tenant mix, branding and design as well as storefront improvements, façade renovation, blank wall activations, outdoor/patio dining, cafes in public open spaces and glass box retail. Funds from this line item will be used in the Zone and the greater downtown area, if it benefits the Zone, in accordance with a Ground Floor Activation Program.

This category funded streetscape improvement projects, including decorative screening of surface parking lots within the District. A fencing program was completed in 2007 installing enhanced fencing along commercial surface parking lots located within the City Center TIF District. Remaining funds in this line item will be dedicated solely to funding a Ground Floor Activation Program.

VII. Administration and Implementation. Administrative costs, including reasonable charges for the time spent by employees of the municipality and/or employees associated with any non-profit groups established to assist with implementation within the TIF District will be eligible for reimbursement as project costs, upon approval by the TIF Board of Directors and in connection with the implementation of the Downtown Connection TIF Project Plan and Reinvestment Zone Financing Plan. Other related administrative expenses including legal fees and consulting fees of the City, management expenses, meeting expenditures and equipment are included in this category.

VIII. Non-project Costs. It is anticipated that the City may make economic development loans or grants either to the Downtown Connection TIF District or to the DDDA (hereinafter defined), in furtherance of implementing this Plan. Should such loans or grants be made, consistent with the financing documents authorizing the issuance of bonds or other obligations issued by the DDDA to finance project costs, tax increments may be transferred to the City, in an amount not to exceed \$15,000,000, to reimburse the City for the funds made available by any such Chapter 380 economic development loans or grants in furtherance of the implementation of this Plan, and fulfilling the public purposes of developing and diversifying the economy of the District, eliminating unemployment or underemployment in the District, and developing or expanding transportation, business and commercial activity in the District. All bonds issued by the DDDA are subject to City Council approval and to minimize the exposure to the City's general funds revenues, the DDDA shall maintain sufficient debt reserve accounts and coverage ratios.

Planned Private Development

- 5,600 residential units in Downtown
- 3,200 additional units in Uptown
- Absorption of 3,000,000 square feet of the currently vacant office space in the District
- Absorption of 125,000 square feet of retail space in Downtown
- Absorption of 250,000 square feet of retail space in Uptown
- Absorption of 800,000 square feet of new office space in Downtown
- Absorption of 800,000 square feet of new office space in Uptown
- Creation of 20 acres of park and open space
- Leverage funding for improved connectivity between Downtown and Uptown.
- Restore property value "inside the Loop" to levels above the 1990 value

The total increased property value is forecasted to be approximately \$4 billion. The Downtown Connection TIF District's assessed tax value in 2004 was \$465,185,699.

EXHIBIT A

The cumulative incremental property tax revenue potential of the planned development will be approximately \$231 million (net present value) in public improvement projects.

TIF District Policy Considerations

Mixed Income Housing Policy. Ten percent of all housing units provided by projects using TIF funds must meet the City and County established criteria for affordable housing. Affordable housing units are those which are affordable to a household earning 80 percent or below of the median family income for the Dallas metropolitan area. A developer may, subject to City and County approval, and subject to the City Center TIF District Mixed Income Housing Policy, propose an alternative means of fulfilling the City's and County's affordable housing requirement. If the Policy allows affordable housing outside the City Center TIF District, and those units are placed within the boundaries of another TIF district, the developer must also secure approval for the affordable housing units within the respective district's boundaries from the respective TIF district's board of directors unless that board formally declines to review the project.

Business Inclusion and Development (BID) Plan. All TIF-funded projects must follow the City's adopted Business Inclusion and Development Plan. This policy outlines goals for certified Minority and Women-Owned Business (M/WBE) participation in publicly funded infrastructure projects. The BID Plan goal is 25 percent for construction of public improvements. The goal for private improvements is negotiated in the development agreement. The process for BID compliance and City oversight will be negotiated with City staff and included in the development agreement for each individual project.

Creating Permanent Jobs for Area Residents. TIF applicants must agree to sponsor job fairs or other programs to attract neighborhood residents to any permanent jobs created in the development.

Design Review/Peer Review Process. All new projects developed in the district shall be required to follow a peer review process. Conformance to design standards for non-TIF funded projects is voluntary but strongly encouraged to maintain the design focus of the implementation of the Downtown Connection TIF Plan.

Existing Resident Displacement. The Act requires that existing resident displacement be minimized.

Eminent Domain. The City may consider the use of eminent domain as necessary and convenient to implement the Downtown Connection TIF project and financing plan. Potential land acquisitions with eminent domain may include:

- Properties needed for pedestrian safety and accessibility;
- Park sites described in the CBD Park Master Plan;
- Key development sites, which may be:
 - a) Locations adjacent to park sites in the Downtown core; or
 - b) Locations identified in the City Center TIF District Parking Strategy study as priority locations for public parking, or

- ## Exhibit F

Downtown Connection TIF District Public Improvement Plan

Legend:

- Catalyst Project Sites
- Downtown Vacant/Underutilized Bldg Improv Area
- Potential Core Park Sites
- Other Improvements:
- Transit Streetscape
- Connectivity
- Existing DART Light Rail
- TIF Boundary

Note - TIF Boundary is general area. To identify properties included in the TIF District refer to TIF Plan Boundary Map or Ordinance #26020

Office of Economic Development
July 2006

CITY OF DALLAS

29015

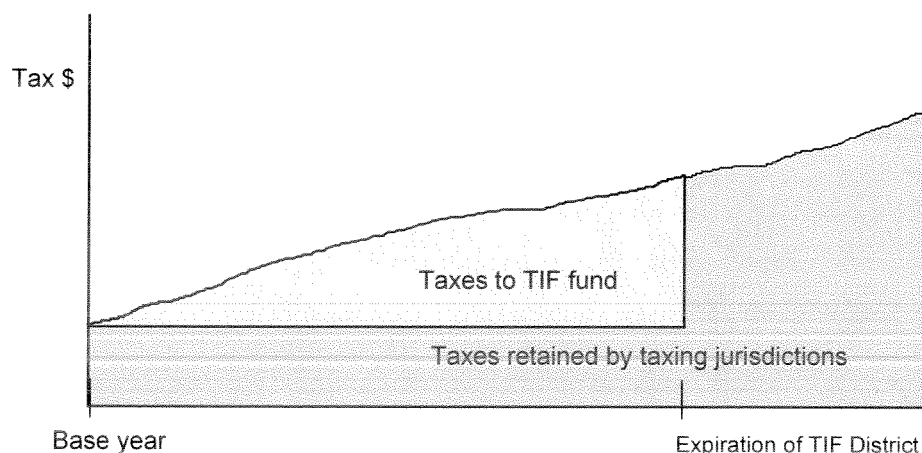
Section 3: Financing Plan

Tax increment financing ("TIF") is a tool local governments of Texas have used since 1986 to finance public improvements within defined areas that have unique challenges and opportunities for economic development. The improvements strengthen existing communities and attract investment. Statutes governing TIF are in Chapter 311 of the Texas Tax Code.

A municipality makes an area eligible for tax increment financing by designating a reinvestment zone. The additional tax dollars generated by growth of real property value flow to a "tax increment financing fund" ("TIF fund") for a specified term of years. Money flowing to the TIF fund each year is disbursed according to a plan approved by a TIF board and the City Council, as prescribed by statutes and the ordinance designating the reinvestment zone. The Fund may be used to make grants in furtherance of the development for the District and for public improvements within the reinvestment zone. TIF funds may also to be used for public improvements at places of public assembly, such as a park, or for affordable housing, even though outside the zone.

The illustration below shows how tax from real properties in a TIF zone flows to a taxing jurisdiction and to a TIF fund. This assumes real property values in the TIF zone rise soon after the zone's designation.

Real Property Tax Flow with Tax Increment Financing



Inclusion of property in a TIF zone does not change any tax rate for the property. Tax rates in a TIF zone are the same as tax rates outside the zone and within the same set of taxing jurisdictions.

Once the public improvements are completed and paid for, the TIF is dissolved and the full amount of the taxes collected in area are kept by the taxing jurisdictions. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Also, taxing jurisdictions are not restricted from raising their tax rates during the life of the zone.

Financing Plan

The Reinvestment Zone Financing Plan provides for incremental financing, and predicts revenues for the Downtown Connection TIF District. Exhibit L compares the last adopted budget for the Zone to the amended budget below.

Exhibit G: Downtown Connection TIF District Amended Improvements Budget

*Project costs are public improvements and grants paid or reimbursed by the District.
Projects cost may be changed in subsequent project and financing plan amendments.*

Category	Amended NPV Budget (2006) ¹	Estimated Total Dollars TIF Budget ²
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, Economic Development TIF grants, affordable housing	\$152,653,168	\$309,043,392
Uptown/Downtown connection improvements³	\$0	\$0
Park and plaza design and acquisition	\$1,500,000	\$3,534,594
Affordable Housing⁴	\$3,000,000	\$3,000,000
Ground Floor Activation/Streetscape Improvements⁴	\$1,985,000	\$1,985,000
Downtown Area Plan⁴	\$515,000	\$515,000
Administration and Implementation	\$3,940,386	\$9,285,109
Debt Service (Interest Only)		\$150,363,000
Total	\$231,593,554	\$545,726,096

¹Amended NPV Budget values discounted to 2006 dollars at 5% discount rate.

²Amended Total Dollar values reflect estimated total collections over the life of the District. These values will fluctuate annually.

³Funds allocated to the Uptown/Downtown connection improvements line item have been

reprogrammed to the Redevelopment line item.

⁴Funds for the Affordable Housing, Ground Floor Activation/Streetscape Improvements, and Downtown line items are in cash.

Financing Method. The City's current policy for financing TIF projects is for private groups to advance funds for public improvements in the reinvestment zone or to have funds paid directly from the Downtown Connection TIF District Fund as funds become available. The City has financed all its prior TIF District projects on a pay-as-you-go basis. Advances may be repaid by the future cash flows to the Downtown Connection TIF District fund. Taxing jurisdictions need not guarantee these loan repayments with any other source. The City of Dallas, using TIF funds, may purchase facade easements for specific buildings. In addition, other public improvements included in the Project Plan may be funded directly from the Downtown Connection TIF District funds, as incremental revenue is available.

In connection with the shift in approach from funding seed project to focusing resources into a large catalyst project, the City may consider using the TIF fund to reimburse project cost principal and interest and other financing costs. The City may negotiate with financial institutions to secure bonds or other obligations, or lines of credit, to aid in the funding of two categories of projects within the TIF zone, using any financial instrument, subject to City Council approval of the note or credit line or issue bonds or other obligations for:

- Catalyst Project: These were public improvements related to the Mercantile Block, Atmos Complex and Continental Building for which total project investment from all sources will exceed \$100,000,000;
- Accessibility/safety projects: These are public improvements to achieve greater safety or accessibility and to foster redevelopment of small commercial structures.
- Other projects so determined by the Downtown Connection TIF District Board of Directors and the City Council.

The City of Dallas created a local government corporation called the Dallas Downtown Development Authority ("DDDA") to assist with the development of TIF improvements in the zone. The City, in its name or through the DDDA, may issue bonds or other obligations ("Bonds") in an aggregate principal amount estimated to be \$66 million to aid in the funding of project costs within the Downtown Connection TIF District, secured in whole or in part with City general fund annual appropriation of Chapter 380 grants and/or tax increment revenues, subject to City Council approval of the issuance of such Bonds. Bonds may be issued to fund capitalized interest and reserve funds for the Bonds. In addition, the DDDA may seek to obtain a line or letter of credit to support activities consistent with the objectives of this Plan.

Financing Policy and Long Term Financing. The goal of the Downtown Connection TIF District is to leverage increment accrued to maximize development in the District. It is the intention of the Board of Directors that the increment received initially goes to

catalyst projects such as the Mercantile block, Continental Building, and Atmos Energy Buildings.

It is anticipated that the City, the Downtown Connection TIF District Board of Directors and the will DDDA enter into an agreement pursuant to which:

- TIF revenues would be transferred from the TIF fund to the DDDA.
- The City delegates to the DDDA certain duties and responsibilities concerning implementation of the project plan
- The DDDA agrees to use the funds received to secure bonds and agrees to assume the duties and responsibilities delegated to it by the City, subject to the conditions of the agreement.

Expected Revenues. Exhibit H is a list of developments anticipated in the Downtown Connection TIF zone through 2027. Some of the identified developments will probably not occur, while other development projects likely will replace them. This schedule represents the best estimate of anticipated development in the area. Actual timing, floor area, uses and other attributes of the identified developments may differ from the schedule.

Unit values supporting appraisal estimates in Exhibit H are based on observations of values assigned to comparable developments by the Dallas Central Appraisal District (DCAD). Actual construction costs or trading prices may differ. Because tax increments are measured by DCAD values, these are the relevant measures of value for a TIF financing plan. To show the reasonableness of appraisal estimates in this plan, Exhibit I presents 2004 appraisals by DCAD of several properties in the TIF zone and nearby that are believed similar to the forecast development.

Within the next twenty years, the anticipated pace of development will likely consume much of the vacant land in the zone north of Woodall Rodgers Freeway. There is also strong probability that some land with existing structures in 2005 will redevelop within that time horizon.

The sites anticipated for redevelopment with the Downtown Connection TIF zone may constitute most of the redevelopment in the zone through 2027, although some unnamed sites will inevitably substitute for listed sites. Further redevelopment on both sides of Woodall Rodgers Freeway after 2027 is likely, but not forecast in this analysis for two reasons: (1) Tax increments are estimated to flow to the TIF zone for only twenty-two years (the legal life of the TIF is thirty years); (2) Forecasts further into the future become marginally reliable.

Based on the development projects identified in Exhibit H and other stated assumptions, Exhibit J estimates annual City/County real property taxes from the TIF zone and annual percentages and amounts of the real property tax growth increment reinvested each year in the Downtown Connection TIF fund. Cumulative increased property value is expected to be approximately \$4 billion during the 30-year term of the TIF District. Projects assume a 90% reinvestment rate for the City during the 30-year life of the TIF and 55% from the County with a term of 20 years or until the Project Cost Budget of

\$231 million is reached. The County's contribution is capped at a net present value of \$18.5 million. The final terms of the County's contribution of its tax increment has been set forth in an inter-local participation agreement between the City and the County.

Financial Assumptions

The key factors influencing the financial feasibility study and its conclusions are the financial assumptions that have been adopted.

Inflation. The generally accepted inflation for construction costs and the value of improvements is 3.0% per annum. Based on current market rates, net present values of the tax increment were calculated at a discount rate of five percent per annum.

Appreciation. Property appreciation is assumed to be 2.5% per annum on average.

Tax Rate Changes. Although tax rates will certainly increase during the 30-year development period, the financial plan conservatively assumes that the tax rate will remain constant for the life of the Downtown Connection TIF District, except to incorporate tax rate changes when known.

Remittance to the TIF Fund. The City of Dallas will participate at a rate equal to approximately 90% of incremental value during the 30 year term of the TIF or until the budget of \$231 million (net present value) is reached and Dallas County will participate at a rate of 55% of incremental value during the first 20 years of the term. Dallas County's participation is capped at a net present value of \$18.5 million.

Financial Feasibility

The private development plans, public improvement program, general financing strategy and financial assumptions were all included in an economic feasibility study prepared by Stein Planning and Management. The study is intended to be used as part of the economic feasibility study for the District in accordance with the provisions of Section 311.011, Texas Tax Code, and is available upon request.

Cumulative increased property value is expected to be approximately \$4 billion during the 30-year term of the TIF District.

The TIF District projections provide for increment collections over the entire 30-year life of the District.

On a strict "pay-as-you-go" basis, the progress of the public improvements portion of the development program is a direct result of the revenues received (and matched by the City's contributions). Therefore, if revenues exceed these projections, then the public improvements can be completed ahead of schedule. If revenues do not meet expectations, then the pace of public improvements will be slowed or discontinued.

altogether based upon the advice of the Board of Directors and the approval of the City Council.

Based upon a set of TIF District assumptions and analysis of the project and financing plan, the Downtown Connection Board of Directors has concluded that the plan is feasible.

Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program that was first approved by the City Council on March 13, 1996. This program provides a framework for development incentives in a variety of areas. Within this framework the Downtown Connection Board of Directors has adopted specific policies for the Downtown Connection TIF District:

- The Catalyst Project (Mercantile Block, Atmos Complex, and Continental Building) was recognized as a major component of the Downtown Connection TIF District Public Improvement Plan, therefore, the majority of increment accrued will be set aside for such projects.
- Public improvements will be phased at a pace that coincides with private development.
- Private developers desiring City participation in cost-sharing for infrastructure improvement needs for their projects must sign a Development Agreement with the City.
- Each Development Agreement is mutually exclusive - that is, the nature and extent of support with public funds may change over time as the District becomes more developed.
- The City may negotiate with financial institutions to secure notes or lines of credit to aid in the funding of two categories of projects within the TIF zone, using any financial instrument, subject to City Council approval of the note or credit line, or issue certificates of obligation or TIF bonds for catalyst projects and accessibility/safety projects as described earlier in the Project Plan.
- If a developer needs infrastructure improvements constructed at a time when sufficient funds are not available in the TIF Reserve Fund, then improvements may be:
 - ~ deferred until funds are available
 - ~ constructed at the sole expense of the developer
 - ~ constructed at developer expense, with the City reimbursing the developer as funds become available

- Private development must substantially conform to "private development design guidelines" adopted by the Downtown Connection Board of Directors in order to receive cost participation benefits for infrastructure improvements.

The Downtown Connection TIF Board may from time-to-time recommend amendments to these financial policies which will affect the operations of the TIF District.

Should project costs be paid that directly benefit the developer of a catalyst project, such as the acquisition of machinery, equipment, materials and supplies, or grants made to a developer as permitted by Chapter 311, Texas Tax Code, the City will establish sufficient controls to ensure that the expenditure does result in the public purpose being carried out and that the public is protected in the use of public funds, such as the tax increment revenues, for the intended result.

The DDDA may undertake such activities as determined by the City Council to be necessary or convenient to implement the Plan, including the issuance of bonds or other obligations to finance the payment of project costs. No such bonds or other obligations shall be issued by the local government corporation without prior City Council approval.

The City reserves the right to amend this plan to provide for the establishment of a "sales tax increment" collection process, as permitted by Chapter 311, Texas Tax Code.

Other Financial Benefits

New residents of Downtown will spend for goods and services subject to sales tax. Because the City has a one-cent sales tax, this generates municipal revenue. Exhibit K estimates City sales tax attributed to new Downtown residences. The schedule makes no allowance for a share of purchases by Downtown residents outside Downtown, but it assumes these external purchases will be offset by purchases from tourists, convention attendees and visitors from outside Downtown who will be drawn to spend more time Downtown. Many of the buildings that will be adapted for residential use with help from the TIF program are expected to use ground level space for retail tenants or restaurants.

The Dallas Independent School District is not expected to participate in the Downtown Connection TIF program. State law governing school funding since September 1999 makes TIF participation generally unattractive for a school district. Nevertheless, the DISD will receive a windfall from the Downtown Connection zone estimated at roughly \$1.8 billion over forty years. All DISD tax projections bear risk that new Texas law may cap the rate of local property tax a school district may levy.

Conclusions

Based upon a set of assumptions and analysis of the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan, the Downtown Connection TIF District Board of Directors has concluded that the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan is feasible.

The success of the Downtown Connection TIF District development will allow downtown Dallas to become more of an activity center. The new residential population base will support downtown Dallas' expanding retail and entertainment activities and enhance the area's overall market image. The success of this program will protect and build on the region's greatest real estate asset.

The Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan was developed with these specific needs in mind.

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Exhibit H

Anticipated Redevelopment Projects in Downtown Connection TIF District

Assumptions:

Sites, uses, floor areas and development timing are estimates by consultant and clients.
Some listed developments will not happen; substitution by other development is possible.
Some listed sites require public participation through TIF or other sources.

* Fifteen year tax abatement on Mercantile Tower delays addition to tax roll until 2025 (60% of added value). Ten year tax abatement on Mercantile new construction delays addition to tax roll until 2018 (40% of added value).

** Hunt HQ appraisal is estimated at 21% of added real property taxable value for 2008 through 2017 with the remainder added in 2018.

*** Ashton development reduced by 2/3 because DCAD has added much of the value to the 2005 tax roll.

**** Gables Uptown Development reduced by 15% because DCAD has added value on preliminary construction to the 2005 tax roll.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Site Number/Name	Approximate Land Area (SF)	Primary Use	Floor Area Ratio	Estimated Building Floor Area (SF) (excl. parking)	per BSF	Estimated DCAD Improvement Appraisals in 2005 Dollars			Assumed Complete Before Jan. 1.	TIF Increment Arrives on Tax Roll	Net New Improvement Appraisal on Jan. 1 After Completion, if 3.00% Post-Completion Inflation	Net New Appraisal at Completion, Less Condo Homestead Exemptions @ 20% in 50% of Units
						All New Improvements	Less Existing	Net New				
North of Woodall Rodgers Freeway												
Wells Fargo Bank - Cedar Springs	17,237	bank	0.23	3,919	\$100	\$391,900	\$0	\$391,900	2006	2006	\$403,657	\$403,657
Ashton***	90,000	apartments	7.37	663,000	\$85	\$18,785,000	\$0	\$18,785,000	2006	2006	\$19,348,550	\$19,348,550
Gables Uptown, Phase 1****	140,000	residential	2.33	326,550	\$75	\$20,817,563	\$0	\$20,817,563	2006	2006	\$21,442,089	\$21,442,089
Uptown Plaza shopping, 1	56,000	retail	0.63	35,000	\$85	\$2,975,000	\$0	\$2,975,000	2006	2006	\$3,064,250	\$3,064,250
ZOM Rosewood	181,724	apartments	1.87	340,538	\$95	\$36,981,760	\$0	\$36,981,760	2007	2007	\$39,233,949	\$39,233,949
Azure	57,000	condos	5.09	290,000	\$160	\$46,400,000	\$0	\$46,400,000	2009	2009	\$46,400,000	\$41,760,000
Ritz Carlton w 70 condos	207,000	hotel/condos	1.50	352,800	\$175	\$61,740,000	\$55,000	\$61,685,000	2008	2008	\$61,685,000	\$61,685,000
Gables Uptown, Phase 2	127,000	res./retail	2.00	296,700	\$75	\$22,252,500	\$0	\$22,252,500	2009	2009	\$22,252,500	\$22,252,500
Stoneleigh Hotel renovations	65,000	condos/hotel	5.30	344,200	\$125	\$20,000,000	\$3,789,000	\$16,211,000	2009	2009	\$16,211,000	\$16,211,000
AMLJ Quadrangle	110,000	residential	1.75	192,500	\$85	\$22,750,000	\$0	\$22,750,000	2011	2011	\$22,750,000	\$22,750,000
Accor site	101,000	condos/hotel	2.73	275,730	\$90	\$24,815,700	\$0	\$24,815,700	2019	2019	\$24,815,700	\$22,334,130
Metropolitan site (Centurion)	19,000	condos	3.50	66,500	\$95	\$6,317,500	\$169,000	\$6,148,500	2021	2021	\$6,148,500	\$5,533,850
Lincoln/Corigan site	126,000	office	0.00		\$95	\$72,000,000	\$19,000	\$71,981,000	2012	2012	\$71,981,000	\$71,981,000
Stoneleigh Tower Condos		condos				\$70,000,000	\$800,000	\$69,200,000	2009	2009	\$69,200,000	\$62,280,000
Maple Terrace renovation	63,226	condos	4.98	315,000	\$85	\$26,775,000	\$820,000	\$25,955,000	2010	2010	\$25,955,000	\$23,359,500
Uptown Plaza shopping, 2	84,000	retail	1.00	84,000	\$85	\$7,140,000	\$0	\$7,140,000	2015	2015	\$7,140,000	\$7,140,000
Greenway site	29,000	mixed	2.00	58,000	\$90	\$5,220,000	\$0	\$5,220,000	2019	2019	\$5,220,000	\$5,220,000
Granite/ Gables	93,426	mixed	-		\$100	\$120,000,000	\$0	\$120,000,000	2014	2014	\$120,000,000	\$108,000,000
St. Ann's Court	60,000	office	0.00		\$100	\$60,000,000	\$0	\$60,000,000	2011	2011	\$60,000,000	\$60,000,000
Ritz Carlton Tower 2	100,482	condos		250,000	\$170	\$105,000,000	\$0	\$105,000,000	2010	2010	\$105,000,000	\$94,500,000
unspecified site	50,000	condos	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2028	2028	\$7,875,000	\$7,087,500
1900 McKinney (Hanover)		office			\$95	\$0	\$0	\$42,000,000	2013	2013	\$42,000,000	\$42,000,000
unspecified sites (infill)	50,000	condos	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2030	2030	\$7,875,000	\$7,087,500
unspecified sites (infill)	50,000	mixed	2.50	125,000	\$65	\$8,125,000	\$250,000	\$7,875,000	2030	2030	\$7,875,000	\$7,087,500
unspecified sites (infill)	60,000	condos	2.50	150,000	\$65	\$9,750,000	\$250,000	\$9,500,000	2030	2030	\$9,500,000	\$8,550,000
Subtotal	1,937,095			\$4,419,437		\$784,486,923	\$6,652,000	\$819,834,923			\$823,376,196	\$781,099,276
South of Woodall Rodgers Freeway												
Aristocrat Hotel renovation	8,477	hotel	11.47	97,241	\$40	\$3,889,640	\$0	\$3,889,640	2007	2007	\$4,126,519	\$4,126,519
1414 Elm	-	apartments	-	35,000	\$75	\$2,625,000	\$300,000	\$2,325,000	2008	2008	\$2,540,590	\$2,540,590
Hunt Headquarters**	61,289	office	6.42	393,553	\$125	\$55,954,280	\$1,554,880	\$54,399,400	2008	2008, 2018	\$59,443,693	\$12,483,176
												\$46,960,518
Mercantile block*	80,000	apartments	6.25	500,000	\$80	\$40,000,000	\$77,550	\$39,922,450	2010	2020, 2025	\$39,922,450	\$15,968,980
												\$23,953,470
1600 Elm	7,300	apartments	2.63	19,210	\$65	\$1,248,650	\$183,940	\$1,064,710	2016	2016	\$1,064,710	
Museum Tower		condos			\$125	\$143,800,000	\$200,000	\$144,000,000	2012	2012	\$144,000,000	\$144,000,000
1900 Pacific	10,836	condos				\$78,815,888	\$0	\$78,832,000	2012	2027	\$78,832,000	\$70,948,800
Tower Petroleum	10,836	hotel				\$17,544,112	\$112,000	\$17,304,000	2012	2027	\$17,304,000	\$17,304,000
Praetorian Building	9,820	apartments	16.09	157,991	\$90	\$14,219,190	\$311,810	\$13,907,380	2021	2021	\$13,907,380	\$13,907,380
1600 Pacific	30,000	apartments	16.61	498,270	\$50	\$24,913,500	\$3,212,990	\$21,700,510	2015	2015	\$21,700,510	\$21,700,510
500 South Erway	110,853	apartments	5.54	614,176	\$65	\$39,921,440	\$1,391,470	\$38,529,970	2011	2011	\$38,529,970	\$38,529,970
Atmos block	75,000	apartments	3.33	250,000	\$75	\$18,750,000	\$581,890	\$18,168,110	2015	2015	\$18,168,110	\$18,168,110
Wood building								\$15,000,000	2014	2014	\$15,000,000	\$15,000,000
Dallas Grand	56,738	apartments	9.02	511,584	\$75	\$38,368,800	\$5,720	\$38,363,080	2021	2021	\$38,363,080	\$38,363,080
Federal Reserve Building	125,860	apartments	1.89	237,643	\$50	\$11,882,150	\$3,524,200	\$8,357,950	2021	2021	\$8,357,950	\$8,357,950
1712 Commerce	10,000	apartments	19.02	190,221	\$50	\$9,511,050	\$1,294,900	\$8,216,150	2015	2015	\$8,216,150	\$8,216,150
1954 Commerce	25,000	apartments	3.27	81,800	\$50	\$4,090,000	\$6,790	\$4,083,210	2020	2020	\$4,083,210	\$4,083,210
Santa Fe #4	35,632	hotel	4.48	159,791	\$90	\$14,381,190	\$719,820	\$13,661,370	2011	2011	\$13,661,370	\$13,661,370
1604 Main	7,650	apartments	6.24	47,720	\$50	\$2,386,000	\$5,050	\$2,380,950	2022	2022	\$2,380,950	\$2,380,950
1613-1615 Main/1614 Elm		retail/office		38,598	\$75	\$2,894,850	\$325,000	\$2,569,850	2025	2025	\$2,569,850	\$2,569,850
Elm Place	80,933	apartments	16.52	1,336,894	\$50	\$66,844,700	\$4,810,299	\$62,034,401	2025	2025	\$62,034,401	\$62,034,401
Subtotal	746,224			\$5,169,692		\$591,840,440	\$18,618,309	\$588,710,131			\$594,206,894	\$585,258,984
Total	2,683,319			9,589,129		\$1,376,327,363	\$25,270,309	\$1,408,545,054			\$1,417,583,089	\$1,366,358,259

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Exhibit I

Comparable Developments based on DCAD 2004 Appraisals

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Development Name	Address	Improvements	Land	Total Value	Bldg. SF	IV per BSF	Land SF	Land per LSF	Total per BSF	FAR
Mixed use centers										
The Crescent	500 Crescent	\$242,570,000	\$25,984,920	\$268,554,920	1,722,192	\$141	433,082	\$60	\$156	3.98
	3699 McKinney	\$33,269,340	\$6,745,320	\$40,014,660	315,535		224,844			
	3699 McKinney	\$4,255,070	\$1,730,070	\$5,985,140	34,336		57,669			
West Village		\$37,524,410	\$8,475,390	\$45,999,800	349,871	\$107	282,513	\$30	\$131	1.24
Mockingbird Station	5307 Mockingbird	\$51,224,220	\$10,627,060	\$61,851,280	565,675	\$91	379,538	\$28	\$109	1.49
Retail centers										
One-Stop Mini-Mart	2324 McKinney	\$576,860	\$1,423,080	\$1,999,940	3,509	\$164	23,718	\$60	\$570	0.15
Knox Park Village	3001 Knox	\$12,182,090	\$2,798,910	\$14,981,000	81,893	\$149	87,172	\$32	\$183	0.94
Lincoln Park (retail with. grocery)	7700 W. Northwest	\$20,260,770	\$11,299,680	\$31,560,450	153,642	\$132	502,208	\$23	\$205	0.31
Highland Park Village	4201 Mockingbird	\$28,648,860	\$15,918,560	\$44,567,420	230,948	\$124	397,964	\$40	\$193	0.58
HPV parking north of M'bird	4200 Mockingbird	\$0	\$4,108,360	\$4,108,360	0	N.A.	102,709	\$40	N.A.	0.00
Highland Park Village total		\$28,648,860	\$20,026,920	\$48,675,780	230,948	\$124	500,673	\$40	\$211	0.46
Best Buy, CompUSA, Office Max	9358 N. Central	\$21,310,230	\$9,544,770	\$30,855,000	184,996	\$115	636,318	\$15	\$167	0.29
Office buildings										
Chase Tower	2200 Ross	\$151,599,640	\$2,799,830	\$154,399,470	1,250,000	\$121	111,993	\$25	\$124	11.16
Trammell Crow Center	2001 Ross	\$140,591,200	\$2,851,440	\$143,442,640	1,245,324	\$113	95,048	\$30	\$115	13.10
2100 McKinney	2100 McKinney	\$39,810,540	\$8,189,460	\$48,000,000	374,654	\$106	136,491	\$60	\$128	2.74
Fountain Place	1445 Ross	\$121,795,310	\$2,204,690	\$124,000,000	1,297,418	\$94	78,739	\$28	\$96	16.48
1845 Woodall Rodgers	1845 Woodall Rodgers	\$10,278,510	\$1,266,650	\$11,545,160	185,007	\$56	36,190	\$35	\$62	5.11
Residences										
1999 McKinney condos (62)	1999 McKinney	\$32,925,450	\$1,309,414	\$34,234,864	175,482	\$188	29,098	\$45	\$195	6.03
		(Improvement figures are estimates based on 100% of three middle floors.)								
Portobello townhouse condo unit	33xx Blackburn	\$415,870	\$59,130	\$475,000	2,606	\$160	N.A.	N.A.	N.A.	N.A.
Travis Terrace townhouse condo	39xx Travis	\$400,610	\$42,420	\$443,030	2,782	\$144	2,121	\$20	\$159	1.31
Lincoln Park	5445 Caruth Haven	\$35,455,780	\$9,544,220	\$45,000,000	395,377	\$90	636,281	\$15	\$114	0.62
The Abbey	2521 Worthington	\$4,155,550	\$944,450	\$5,100,000	48,082	\$86	29,514	\$32	\$106	1.63
Heights of State Thomas	3015 State	\$14,778,910	\$3,921,090	\$18,700,000	173,545	\$85	122,534	\$32	\$108	1.42
Knox Travis Park	4611 Travis	\$10,962,040	\$537,960	\$11,500,000	137,331	\$80	26,898	\$20	\$84	5.11
	2816 Guillot	\$10,364,586	\$3,185,490	\$13,550,076	171,403		91,014			
	2518 Colby	\$14,849,970	\$5,889,960	\$20,739,930	275,636		175,982			
	2427 Allen	\$6,687,790	\$1,962,210	\$10,650,000	123,754		61,319			

Uptown Village		\$33,902,346	\$11,037,660	\$44,940,006	570,793	\$59	328,315	\$34	\$79	1.74
Gables at Routh	2600 Cole	\$9,033,540	\$2,128,460	\$11,162,000	142,507	\$63	60,813	\$35	\$78	2.34
Mirabella	2600 Cole	\$9,033,540	\$2,128,460	\$11,162,000	142,507	\$63	60,813	\$35	\$78	2.34
Jefferson at Gaston	2752 Gaston	\$26,158,960	\$4,665,280	\$30,824,240	417,815	\$63	548,856	\$9	\$74	0.76
Block 588 Condos	3110 Thomas	\$13,603,550	\$1,636,450	\$15,240,000	229,074	\$59	51,139	\$32	\$67	4.48
Heights of State Thomas	3110 Thomas	\$16,111,970	\$3,688,030	\$19,800,000	299,362	\$54	115,251	\$32	\$66	2.60
Davis Building	1309 Main	\$12,876,320	\$873,000	\$13,749,320	241,481	\$53	14,550	\$60	\$57	16.60
Majestic Lofts Residences	1900 Elm	\$6,553,000	\$1,200,000	\$7,753,000	126,000	\$52	20,000	\$60	\$62	6.30
Kirby Building	1501 Main	\$9,849,880	\$900,120	\$10,750,000	203,824	\$48	15,002	\$60	\$53	13.59
Gables Concord	3003 Bookhout	\$6,044,580	\$4,755,420	\$10,800,000	138,390	\$44	158,514	\$30	\$78	0.87
Jefferson at the North End	2323 N. Field	\$25,754,460	\$16,395,540	\$42,150,000	623,997	\$41	468,444	\$35	\$68	1.33
Camden Farmers Market	2210 Canton	\$15,823,610	\$5,676,390	\$21,500,000	381,441	\$41	306,832	\$18	\$56	1.24
Wilson Building	1623 Main	\$8,985,000	\$1,740,000	\$10,725,000	250,778	\$36	29,000	\$60	\$43	8.65
Rovello	2610 Allen	\$13,960,180	\$4,727,740	\$18,687,920	397,294	\$35	132,117	\$36	\$47	3.01
Hotels										
The Mansion on Turtle Creek	2821 Turtle Creek	\$16,504,480	\$5,495,420	\$21,999,900	82,976	\$199	157,012	\$35	\$265	0.53
Hotel Zaza	2332 Leonard	\$11,782,940	\$2,918,340	\$14,701,280	102,010	\$116	48,639	\$60	\$144	2.10
	2007 Live Oak	\$3,898,390	\$1,521,000	\$5,419,390	0		43,457			
	2117 Live Oak	\$68,759,606	\$3,484,460	\$72,244,066	535,478		99,556			
	443 Olive	\$5,722,150	\$2,777,810	\$8,499,960	292,056		79,366			
	400 Olive	\$0	\$94,550	\$94,550	0		7,879			
Adam's Mark Hotel		\$78,380,146	\$7,877,820	\$86,257,966	827,534	\$95	230,258	\$34	\$104	3.59
	300 Reunion	\$62,744,660	\$3,287,340	\$66,032,000	657,212		205,549			
	500 S. Stemmons	\$0	\$2,491,750	\$2,491,750	0		177,982			
	201 Reunion	\$0	\$916,180	\$916,180	0		76,348			
	400 S. Stemmons	\$0	\$811,640	\$811,640	0		57,974			
	311 Reunion	\$0	\$237,240	\$237,240	0		16,946			
	300 Hyatt Regency	\$0	\$41,060	\$41,060	0		9,165			
Hyatt Regency Hotel		\$62,744,660	\$7,785,210	\$70,529,870	657,212	\$95	543,964	\$14	\$107	1.21
Hotel St. Germain	2516 Maple	\$500,790	\$540,400	\$1,041,190	8,273	\$61	15,440	\$35	\$126	0.54
	1717 N. Akard	\$24,721,980	\$2,462,520	\$27,184,500	579,037		87,947			
	1717 N. Akard	\$0	\$315,500	\$315,500	0		11,268			
Fairmont Hotel		\$24,721,980	\$2,778,020	\$27,500,000	579,037	\$43	99,215	\$28	\$47	5.84
Building floor area measurements exclude parking garages. Improvement appraisals include garages.										
Grocery stores										
Whole Foods Market	4100 Lomo Alto	\$3,382,000	\$1,775,900	\$5,157,900	35,600	\$95	70,236	\$25	\$145	0.51
Kroger Signature	5665 E. Mockingbird	\$2,623,330	\$4,188,550	\$6,811,880	79,228	\$33	349,046	\$12	\$86	0.23

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Exhibit J

Downtown Connection TIF District Increment Projections

Projected TIF Increment Schedule

Tax Year	Total Property Value Estimate ¹	Property Value Growth	Comp. Value Growth	Anticipated Captured Value	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue into TIF * CITY @ 90%	Tax Increment Revenue into TIF ** COUNTY @ 55%	Anticipated Increment Revenue	NPV Anticipated Increment Revenue (2006)
Base 2005	\$561,696,137 (1)								
Base 2009	\$564,917,317 (2)								
1 2006	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,370,108	\$1,208,059		\$1,438,614	\$1,370,108
County 2 2007	\$759,016,948			\$197,320,811			\$230,555		
County 2 2007	\$989,078,707	30.31%	76.09%	\$427,382,570	\$4,450,867	\$2,844,731		\$3,396,536	\$4,450,867
County 3 2008	\$988,341,787			\$426,645,650			\$551,805		
County 3 2008	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$10,691,983	\$6,065,898		\$7,224,872	\$10,691,983
County 4 2009	\$1,595,047,713			\$1,033,501,376			\$1,158,974		
County 4 2009	\$1,512,292,589	-0.22%	169.24%	\$947,375,272	\$17,179,939	\$6,768,369		\$7,886,151	\$17,179,939
County 5 2010	\$1,559,199,640			\$994,432,123			\$1,117,782		
County 5 2010	\$1,539,047,900	1.77%	174.00%	\$974,130,583	\$23,590,942	\$6,849,382		\$8,182,245	\$23,590,942
County 6 2011	\$1,583,755,734			\$1,018,988,217			\$1,332,864		
County 6 2011	\$1,546,807,101	0.50%	175.38%	\$981,889,784	\$29,976,530	\$7,235,640		\$8,557,298	\$29,976,530
County 7 2012	\$1,589,222,014			\$1,024,304,697			\$1,321,658		
County 7 2012	\$1,762,069,405	13.92%	213.71%	\$1,197,152,088	\$37,259,180	\$8,587,172		\$10,247,420	\$37,259,180
County 8 2013	\$1,806,641,969			\$1,241,724,652			\$1,660,248		
County 8 2013	\$1,804,258,824	2.39%	221.22%	\$1,239,341,507	\$44,397,709	\$8,889,797	\$1,657,062	\$10,546,858	\$44,397,709
County 9 2014	\$1,877,874,888	4.08%	234.32%	\$1,312,957,571	\$51,600,140	\$9,417,845	\$1,755,490	\$11,173,335	\$51,600,140
County 10 2015	\$2,188,793,720	16.56%	289.68%	\$1,623,876,403	\$60,083,973	\$11,648,065	\$2,171,204	\$13,819,269	\$60,083,973
County 11 2016	\$2,464,529,254	12.60%	338.77%	\$1,899,611,937	\$69,535,777	\$13,625,916	\$2,539,876	\$16,165,793	\$69,535,777
County 12 2017	\$2,692,987,250	9.27%	379.44%	\$2,128,069,933	\$79,620,092	\$15,264,646	\$2,845,336	\$18,109,982	\$79,620,092
County 13 2018	\$2,823,996,995	4.86%	402.76%	\$2,259,079,678	\$89,815,457	\$16,204,379	\$3,020,502	\$19,224,881	\$89,815,457
County 14 2019	\$3,137,771,849	11.11%	458.62%	\$2,572,854,532	\$100,873,981	\$18,455,086	\$3,440,035	\$21,895,121	\$100,873,981
County 15 2020	\$3,351,229,853	6.80%	496.63%	\$2,786,312,536	\$112,279,694	\$19,986,220	\$3,725,439	\$23,711,659	\$112,279,694
County 16 2021	\$3,443,788,100	2.76%	513.11%	\$2,878,870,783	\$122,601,641	\$20,650,140	\$1,881,376	\$22,531,517	\$122,601,641
County 17 2022	\$3,512,663,862	2.00%	525.37%	\$2,947,746,545	\$131,826,780	\$21,144,186	\$0	\$21,144,186	\$131,826,780
County 18 2023	\$3,586,106,060	2.09%	538.44%	\$3,021,188,743	\$140,831,522	\$21,670,987	\$0	\$21,670,987	\$140,831,522
County 19 2024	\$3,657,828,181	2.00%	551.21%	\$3,092,910,864	\$149,611,058	\$22,185,450	\$0	\$22,185,450	\$149,611,058
County 20 2025	\$3,736,318,125	2.15%	565.18%	\$3,171,400,808	\$158,184,713	\$22,748,458	\$0	\$22,748,458	\$158,184,713
County 21 2026	\$3,811,044,487	2.00%	578.49%	\$3,246,127,170	\$166,542,495	\$23,284,470	\$0	\$23,284,470	\$166,542,495
County 22 2027	\$3,887,265,377	2.00%	592.06%	\$3,322,348,060	\$174,689,189	\$23,831,203	\$0	\$23,831,203	\$174,689,189
County 23 2028	\$3,972,098,184	2.18%	607.16%	\$3,407,180,867	\$182,646,057	\$24,439,708	\$0	\$24,439,708	\$182,646,057
County 24 2029	\$4,051,540,148	2.00%	621.30%	\$3,486,622,831	\$190,400,714	\$25,009,546	\$0	\$25,009,546	\$190,400,714
County 25 2030	\$4,115,568,049	1.58%	632.70%	\$3,550,650,732	\$197,921,727	\$25,468,818	\$0	\$25,468,818	\$197,921,727
County 26 2031	\$4,156,723,730	1.00%	640.03%	\$3,591,806,413	\$205,167,621	\$25,764,027	\$0	\$25,764,027	\$205,167,621
County 27 2032	\$4,198,290,967	1.00%	647.43%	\$3,633,373,650	\$212,148,334	\$26,062,189	\$0	\$26,062,189	\$212,148,334
County 28 2033	\$4,240,273,877	1.00%	654.91%	\$3,675,356,560	\$218,873,453	\$26,363,333	\$0	\$26,363,333	\$218,873,453
County 29 2034	\$4,282,676,616	1.00%	662.45%	\$3,717,759,299	\$225,352,221	\$26,667,487	\$0	\$26,667,487	\$225,352,221
County 30 2035	\$4,325,503,382	1.00%	670.08%	\$3,760,586,065	\$231,593,554	\$26,974,684	\$0	\$26,974,684	\$231,593,554
Total						\$515,315,889	\$30,410,206	\$545,726,096	\$231,593,554
2006 NPV @ 5%						\$213,093,554	\$18,500,000	\$231,593,554	

Assumptions:

- a. City of Dallas expected to participate in the Downtown Connection TIF District for 30 years at a rate of 90%.
- b. Dallas County participation rate is 55% and is capped at \$18.5M.
- c. Stream of annual investments in TIF reflects intent to retire TIF obligations after 30 years.
- d. Property value estimates assume 1% to 2% annual property appreciation and 3% annual inflation.
- e. The base year was adjusted to \$561,696,137 to accommodate boundary additions and deletions made prior to 2006 bonds sale and to accommodate account consolidations/duplications.
- f. The base year was adjusted in 2009 to \$564,917,317 to accommodate boundary additions and deletions made in 2008 and to accommodate account consolidations/duplications.
- g. The projections in this chart are estimated and may fluctuate as a result of any of the following occurrences:
- (1) Changes in date in which the TIF District may begin releasing TIF funds;
 - (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

Notes:

District values in bold print are actual collection amounts for the district. Remaining values are projections.

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Exhibit K

Additional City Sales Tax Attributed to New Downtown Residences in the TIF District

Assumptions:

Average household has AGI of \$60,000 to \$70,000.
 Average household has 1.3 people (1.3 exemptions).
 Sales tax is based on 2004 IRS tables for Texas.
 City sales tax rate remains at 1% of taxable sales.
 Sales tax paid by Downtown residents outside Downtown equals tax on additional Downtown purchases by non-residents.
 No increase of households after 2028.
 No sales tax has been added for building construction materials.

(a)	(b)	(c)	(d)	(e)
	Anticipated Downtown Residential Units	Households @ 92% Occupancy	Households Added After 2005	New Municipal Sales Tax @ \$131 per Added Household Plus Inflation @ 3.00%
Year				
2005	2,701	2,485	0	\$0
2006	3,482	3,203	719	\$96,950
2007	4,222	3,884	1,399	\$194,448
2008	5,397	4,965	2,480	\$355,023
2009	5,557	5,112	2,627	\$387,378
2010	7,062	6,497	4,012	\$609,344
2011	7,880	7,249	4,765	\$745,289
2012	7,880	7,249	4,765	\$767,647
2013	6,137	5,646	3,161	\$524,596
2014	6,137	5,646	3,161	\$540,334
2015	8,070	7,424	4,940	\$869,639
2016	8,070	7,424	4,940	\$895,728
2017	6,702	6,166	3,681	\$687,557
2018	6,702	6,166	3,681	\$708,184
2019	6,702	6,166	3,681	\$729,430
2020	8,152	7,500	5,015	\$1,023,509
2021	8,152	7,500	5,015	\$1,054,214
2022	8,389	7,718	5,233	\$1,133,051
2023	8,514	7,833	5,348	\$1,192,702
2024	6,860	6,311	3,827	\$878,998
2025	6,860	6,311	3,827	\$905,368
2026	8,836	8,130	5,645	\$1,375,624
2027	8,836	8,130	5,645	\$1,416,893
2028	10,685	9,830	7,345	\$1,899,073
2029	10,685	9,830	7,345	\$1,956,045
2030	10,685	9,830	7,345	\$2,014,726
2031	10,685	9,830	7,345	\$2,075,168
2032	10,685	9,830	7,345	\$2,137,423
2033	10,685	9,830	7,345	\$2,201,546
2034	10,685	9,830	7,345	\$2,267,592
2035	10,685	9,830	7,345	\$2,335,620
2036	10,685	9,830	7,345	\$2,405,688
2037	10,685	9,830	7,345	\$2,477,859
2038	10,685	9,830	7,345	\$2,552,195
2039	10,685	9,830	7,345	\$2,628,761
2040	10,685	9,830	7,345	\$2,707,624
2041	10,685	9,830	7,345	\$2,788,852
2042	10,685	9,830	7,345	\$2,872,518
2043	10,685	9,830	7,345	\$2,958,693
2044	10,685	9,830	7,345	\$3,047,454
2045	10,685	9,830	7,345	\$3,138,878
Sum for 40 years:				\$61,557,619

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Exhibit J

Comparison of Downtown Connection TIF District Budget

Downtown Connection TIF District Budget Comparison 2013 Amendment				
Category	Current NPV Budget (2006) ¹	Current Total Dollars TIF Budget ²	Amended NPV Budget (2006) ¹	Estimated Total Dollars TIF Budget ²
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$68,000,000	\$68,000,000
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$90,367,206	\$156,652,741	\$152,653,168	\$309,043,392
Uptown/Downtown connection improvements³	\$20,500,000	\$0	\$0	\$0
Park and plaza design and acquisition	\$1,500,000	\$3,095,852	\$1,500,000	\$3,534,594
Affordable Housing⁴	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Ground Floor Activation/Streetscape Improvements⁴	\$1,985,000	\$1,985,000	\$1,985,000	\$1,985,000
Downtown Area Plan⁴	\$515,000	\$515,000	\$515,000	\$515,000
Administration and Implementation	\$3,940,386	\$8,132,568	\$3,940,386	\$9,285,109
Debt Service (Interest Only)		\$150,363,000		\$150,363,000
Total Project Costs	\$189,807,592	\$391,744,162	\$231,593,554	\$545,726,096
¹ Current and Amended values discounted to 2006 dollars at 5% discount rate.				
² Current and Amended Total Dollar values are estimated based on annual TIF District value, project costs, increment collections and Debt Service schedules. These values will fluctuate annually.				
³ Funds allocated to this line item have been reprogrammed to the Redevelopment line item.				
⁴ Funds for the Affordable Housing, Ground Floor Activation/Streetscape Improvements, and Downtown Area Plan line items are in cash.				