

February 27, 2019

**WHEREAS**, the City recognizes the importance of its role in local economic development initiatives and programs; and

**WHEREAS**, the City has established Tax Increment Financing Reinvestment Zone Number Three ("Oak Cliff Gateway TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Oak Cliff Gateway area pursuant to Ordinance No. 21466, authorized by the City Council on November 11, 1992, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code as amended; and

**WHEREAS**, on February 12, 1997, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Oak Cliff Gateway TIF District by Resolution No. 97-0483; Ordinance No. 23033, as amended; and

**WHEREAS**, the Tax Increment Financing Act specifies that the governing body of a city shall submit an annual report on the financial status of the district to the Chief Executive Officer of each taxing unit that levies taxes on real property in a reinvestment zone, and a copy of the report shall be forwarded to the State Comptroller; and

**WHEREAS**, on December 17, 2018, the Oak Cliff Gateway TIF District Board of Directors passed a motion accepting the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Three and recommended approval of same by the City Council.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Three (Oak Cliff Gateway TIF District), City of Dallas, Texas, as of September 30, 2018, a copy of which is attached hereto (**Exhibit A**), is hereby accepted.

**SECTION 2.** That the City Manager is hereby authorized to submit the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Three to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District, and to the State Comptroller, as required by state law.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



**Oak Cliff Gateway TIF District  
FY 2017-2018  
Annual Report**



**City of Dallas**  
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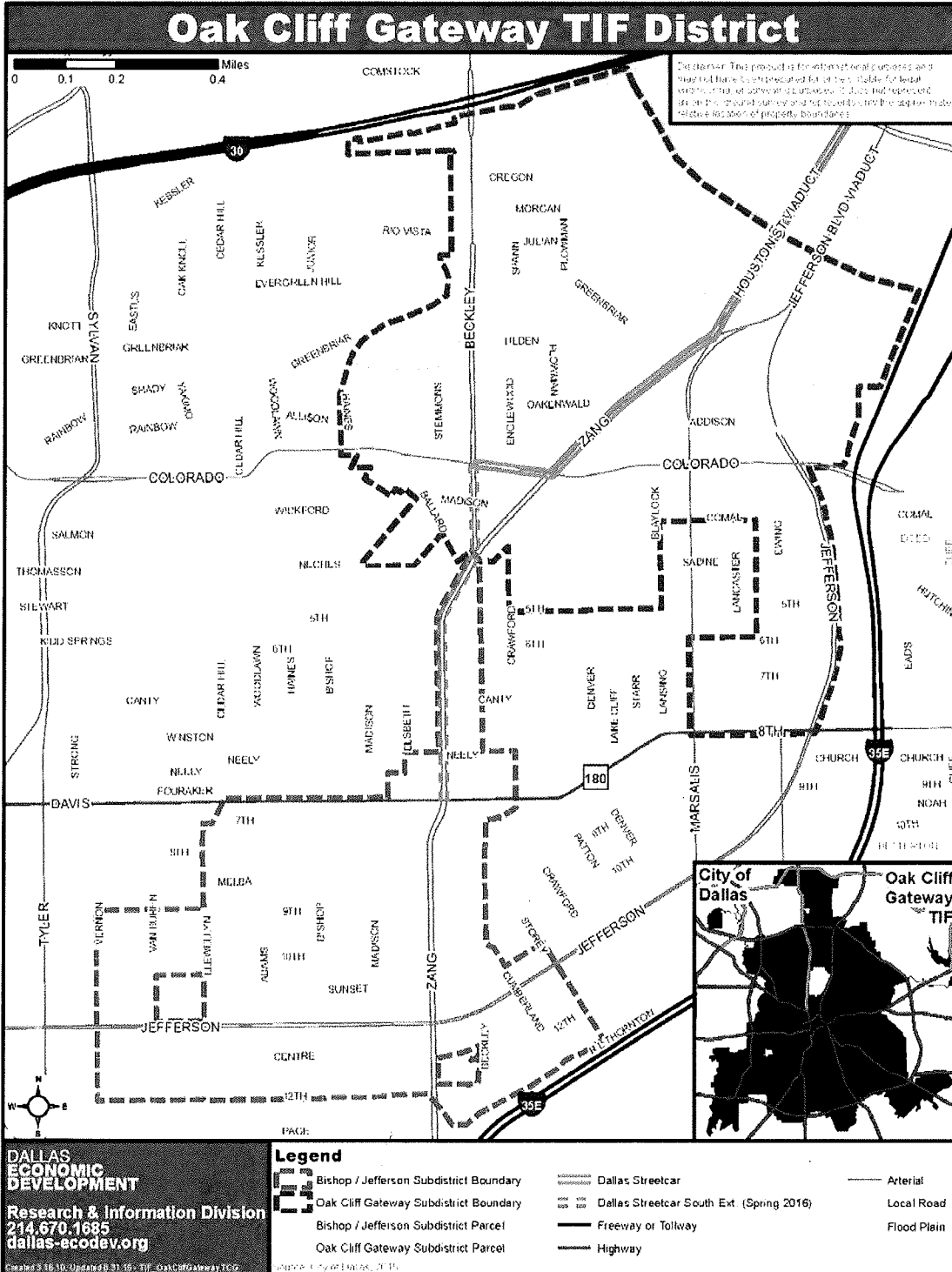
**October 1, 2017 to September 30, 2018**

## Table of Contents

Mission Statement.....	4
District Accomplishments .....	4
Mixed-Income Housing Summary.....	9
District Initiatives.....	10
Value and Increment Revenue Summary.....	11
Objectives, Programs, and Success Indicators .....	11
FY 2018-2019 Work Program .....	17
Pending TIF Items.....	17
Appendix A – Financials.....	18
Appendix B - Financial Obligations Estimated Payoff.....	22
Appendix C - District-wide Set Aside Funds .....	23

*Front cover shows the enhanced streetcar stop at Bishop Arts constructed as part of the Victor Prosper (formerly known as Bishop Arts Station) development at the southwest corner of Zang Boulevard and Davis Street. Photo courtesy of Alamo Manhattan.*

# Reinvestment Zone Number Three Oak Cliff Gateway Tax Increment Financing District



## Mission Statement

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

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

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

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

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

In August 2015, an additional boundary amendment was approved to add approximately 4.9 acres of currently vacant and under-utilized land to the Oak Cliff Gateway Sub-District for the development of the Oxygen project.

## District Accomplishments

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

An amendment to the existing agreement for the Bishop Art Phase I project was approved to add \$25,000 to share in the cost of a parking study for the Bishop Arts district and the TIF Board approved modifications to the development mix for the project.

The Oxygen project, previously approved for TIF incentives in 2015 did not move forward; therefore, the agreement authorization has expired.

The streetscape project for Beckley Avenue and Colorado Avenue began construction in early 2018 and will provide wide sidewalks, street trees, pedestrian lighting, and crosswalks for Colorado Boulevard from Zang Boulevard to Ballard Avenue, on Zang Boulevard from Colorado Boulevard to Beckley Avenue, and on Beckley Avenue from Zang Boulevard to Colorado Avenue. In addition, select sidewalk areas on Beckley Avenue north of Colorado Boulevard to Greenbriar Lane will be repaired. It is funded through a combination of 2006 general obligation bond funds and a Sustainable Development grant from the North Central Texas Council of Governments.

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

During FY 2018, staff continued coordination efforts for various projects in the district. Projects within the District completed, under construction or in the development stage are shown in the table below.



Projects under construction at Zang Boulevard and Davis Street include Victor Prosper with streetcar plaza (left) and Novel Bishop Arts Apartments (right) both will have convenient access to the streetcar.

<b>Oak Cliff Gateway TIF District Projects<sup>1</sup></b>						
<b>Projects Within TIF District Utilizing TIF Funding</b>						
<b>Project</b>	<b>Location</b>	<b>Calendar Year Complete</b>	<b>Status</b>	<b>Units/ SF<sup>2</sup></b>	<b>Approx. Value<sup>3</sup></b>	<b>TIF Investment<sup>4</sup></b>
Walgreens	1306 North Beckley Avenue	1999	Complete	13,833 SF retail	\$1,489,410	\$34,811
Oak Cliff TIF Infrastructure Project	Greenbriar Lane (Beckley to Zang)	2004	Complete	N/A	N/A	\$2,251,207
Lake Cliff Tower Residential	329 East Colorado Boulevard	2006	Complete	54 units	\$10,230,920	\$4,299,742
Grand Bank Lake Cliff Tower	1300 North Zang Boulevard	2008	Complete	6,822 SF commercial	\$1,978,380	\$0 <sup>(6)</sup>
Bishop Colorado Retail Plaza	1222 North Bishop Avenue	2009	Complete	15,720 SF retail	\$4,489,000	\$350,000
Zang Triangle <sup>10</sup>	390 E. Oakenwald	2012	Complete	256 units 3,000 flex	\$35,490,650	\$7,250,000
Oaks Trinity (formerly Alexan Trinity) <sup>10</sup>	323-333 E. Greenbriar Lane	2014	Complete	167 units	\$21,575,000	\$4,000,000
Bishop Arts Ph I <sup>10</sup>	Blocks at Bishop Ave./Melba St./Madison St./9 <sup>th</sup> St.	2017-2019	Retail partially complete, residential under const.	246 units; 30,000 sf retail; 20,000 art garden	\$34,000,000	\$5,000,000 <sup>(7)</sup>
Victor Prosper (Bishop Arts Station) <sup>10</sup>	SW & NW corners of Davis Street & Zang Boulevard	2018-2019	Phased opening - 120 units complete; remainder under const.	216 units; 27,302 sf retail	\$30,000,000	\$11,250,000
<b>Subtotal</b>				939 units 116,677 SF retail/flex/commercial	<b>\$139,253,360</b>	<b>\$34,435,760</b>

Projects Within TIF District Not Utilizing TIF Funding <sup>5</sup>						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value <sup>3</sup>	TIF Investment
The Catering Company	1407 North Zang Boulevard	1998	Complete	3,614 SF retail	\$464,000	\$0
K-Clinic Rehab Clinic	214 W. Colorado Boulevard	1998	Complete	6,876 SF medical office	\$546,040	\$0
Oak Cliff Academy, Inc.	808 N. Ewing Avenue	2000	Complete	32,500 SF school	\$4,966,000	\$0
Oak Farms Dairy Expansion	1114 North Lancaster	2000	Complete	60,000 SF industrial	\$2,196,890	\$0
Options Real Estate Holdings	1322 North Beckley Avenue	2002	Complete	2,756 SF office	\$200,000	\$0
Grand Peaks at Kessler Park	1520 North Beckley Avenue	2002	Complete	338 units	\$44,000,000	\$0
John Barr & Associates Expansion	203 E. Colorado Boulevard	2003	Complete	19,449 SF office	\$600,000	\$0
Grand Peaks at Founders Park	1401 North Zang Boulevard	2004	Complete	336 units	\$41,000,000	\$0
Beckley Properties	1101- 1121 North Beckley Avenue	2007	Complete	15,282 SF retail/ commercial	\$666,040	\$0
City Credit Union	126 E. Colorado Boulevard	2008	Complete	3,000 SF commercial	\$1,045,000	\$0
Trinity Town Homes	439, 443 East Greenbriar Lane and 401-446 E Trinity River Circle	2007	Complete	23 town home units	\$8,225,305	\$0
Trinity Town Homes II	381 East Greenbriar Lane	TBD	8 units Completed; 9 under const. 43 planned	60 town home units	\$20,000,000	\$0
Methodist Medical Hospital – Pavilion III	1441 N. Beckley Avenue	2008	Complete	109,774 SF medical office	\$10,230,610	\$0
Methodist Medical Hospital - Sammons Trauma & Critical Care Tower	1441 N. Beckley Avenue	2014	Complete	248,000 SF emergency and trauma care center	\$106,766,634 <sup>9</sup>	\$0
Baylor Institute for Rehabilitation	222 E Colorado Boulevard	2014	Complete	2,564 sf rehabilitation clinic	\$425,000	\$0



Papa John's Pizza	1127 N Beckley	2014	Complete	1,200 sf restaurant	\$360,980	\$0
Jefferson Tower redevelopment (activation of 1 <sup>st</sup> & 2 <sup>nd</sup> Floors)	301, 351, 375 W. Jefferson Blvd.	2014-15	Complete	17 live/work lofts; 15,869 sf upgraded retail	Added value \$3,056,270	\$0 <sup>7</sup>
Novel Bishop Arts Apartments	101 W Davis	2018-2019	Partially complete	302 units; 22,572 sf retail	\$45,000,000	\$0
Bishop Hi Line	305 Melba; 431 Melba	2018	Complete	118 units	\$16,300,000	\$0
CVS	SE corner of Davis Street & Zang Boulevard	2018	Complete	10,000 sf retail	\$2,473,840	\$0
Restaurant conversion (historic home of former Mayor George Sergeant)	635 N Zang Blvd.	2019	Under renovation	3,725 sf restaurant	\$600,000	\$0
Elsbeth Townhomes	600 block – Finley Court	2018	Complete	16 units	\$6,102,940	
<b>Subtotal</b>				1,210 units 557,181 SF commercial	<b>\$315,225,549</b>	<b>\$0</b>
<b>Total - All Projects Utilizing and Not Utilizing TIF Funding</b>						
<b>Total</b>				2,149 units 673,858 SF commercial	<b>\$454,478,909</b>	<b>\$34,435,760</b>

<sup>1</sup> All information updated as of September 30, 2018.

<sup>2</sup> Based upon either the TIF application or required minimum stated in the development agreement. May be updated for completed projects based on actual unit mix and square footage.

<sup>3</sup> Based upon 1) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF district for redevelopment projects once pre-existing value, the demolition of structures and/or any exemption value is netted out.

<sup>4</sup> Principal amount not to be exceeded per the development agreement for projects not yet closed out. TBD indicates that development agreement has not yet been adopted. Asterisk indicates investment also includes interest not shown.

<sup>5</sup> Selected significant projects included.

<sup>6</sup> Tax-exempt property.

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

<sup>8</sup> Infrastructure funded as a part of the \$4.1 million for Lake Cliff Tower.

<sup>9</sup> Non-taxable value; includes \$75M for construction and \$30M for equipment and finish-out.

<sup>10</sup> Per the TIF program mixed-income housing requirement, the project is providing (or will set-aside) at least 20% of units as affordable for 15 years.

## Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in projects using direct site-specific TIF funding assistance are subject to the City's and County's established criteria for mixed income housing. In this District, as part of TIF funding, a total of 543 units have been built to date with affordability requirements and 109 are currently set-aside as affordable. The Lake Cliff Tower project with 54 units was built prior to mixed-income housing requirements for the district. An additional 342 units are under construction with 69 units anticipated to be affordable under TIF requirements.

A total of 1,462 residential units have been completed overall. Another 687 units are under construction or planned and of those 345 will be without any TIF subsidy or affordable units anticipated.

Projects Adjacent to the Oak Cliff Gateway TIF District						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value	TIF Investment
Dallas Orthopedic Surgery Associates	810 North Zang Boulevard	2006	Complete	18,000 SF medical office	\$1,683,220	\$0
Perry Homes	1130-1148 and 1203-1215 North Bishop Avenue	2006	Complete	15 town home units	\$5,364,680	\$0
Lake Cliff Medical, L.P.	815 North Beckley Avenue	2007	Complete	7,500 SF medical office	\$1,145,380	\$0
Magnolia at Zang & Chijmes boutique hotel	901 N. Zang Boulevard	2017	Complete	65 units; 11,635 sf 12 hotel rooms/ event space	\$6,586,660	\$0
<b>Total</b>				80 units 25,500 SF medical office; 11,635 SF hotel (12 rooms)/ event space	<b>\$14,779,940</b>	<b>\$0</b>

## District Initiatives

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

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



Colorado/Beckley streetscape improvements under construction this year.

## Value and Increment Revenue Summary

The TIF districts assessed 2018 tax value was \$272,547,549 for the Oak Cliff Gateway Sub-district. This represents an increase of \$231,836,886 or 569% over the adjusted base year value and an increase of 12% over last year’s final value. The district was expanded in 2014 to include a new Bishop Arts/Jefferson Sub-district with an assessed 2018 tax value of \$249,762,636, an increase of \$144,620,557 or 138% over the base year and an increase of 50% over last year. The combined 2018 taxable value for the entire district is approximately \$522,310,185, a 258% increase over the adjusted base taxable value.

With the participation of the City and Dallas County, this increase will result in the collection of approximately \$3,137,945 total in incremental revenue for the district for the 2018 tax year.

## Objectives, Programs, and Success Indicators

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

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

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

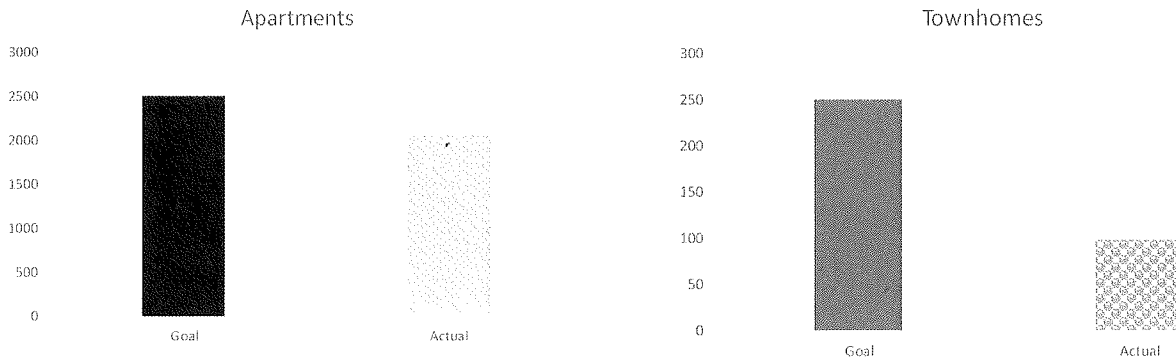
*Street reconstruction projects on Beckley Avenue, Zang Boulevard, Greenbriar Lane, Tilden Street, Jefferson Boulevard and Colorado Boulevard (Blaylock Street to I-35) are completed. Median improvements and streetscape were completed along both sides of Zang Boulevard from Colorado Boulevard to Oakenwald and on Colorado Boulevard itself as a part of the Lake Cliff Tower development. Infrastructure and streetscape improvements were completed with the Bishop Colorado Retail Plaza project. Streetscape improvements along Zang Boulevard, adjacent to the Zang Triangle project, were completed in 2012. Funding was secured for streetscape projects near Methodist Hospital including \$1,600,000 in 2006 City Bond funds and \$1,750,000 in 2009 NCTCOG Sustainable Development grant funding. The improvements were under construction in 2018. Oak Cliff streetcar projects connecting downtown to the Methodist Hospital area and extending to Bishop Arts is complete. City bond program funding (2006 and 2012) totaling \$4.1 million has been directed to streetscape improvements in conjunction with the Bishop Arts Phase I project and those improvements have been under construction.*



Bishop Arts Phase I retail (left) and mural (right).

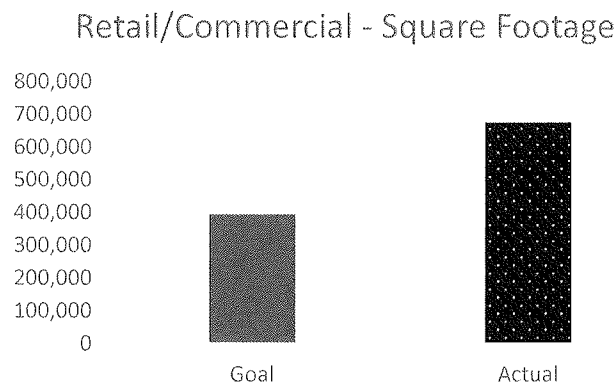
- The amended Plan has a goal of adding 1,572,556 square feet of new residential construction (both single family/townhome units and apartment units). Previously the goal was to add 2,500 market rate apartments and 250 townhome units.

*Since the start of the district, a total of 1,462 apartment units have been constructed. An additional 644 apartment units are under construction. A total of 30 townhome units have been completed and another 53 are planned*



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

*To date 570,258 square feet of retail/commercial space or office space including medical office facilities has been added in the district and another 103,600 square feet is planned as part of the new Bishop Arts projects (exceeding the Plan goal). Alexan Trinity adds 6 additional live/work units, for a total of 8,493 square feet of potential commercial space.*



## Year-End Summary of Meetings

The Oak Cliff Gateway TIF District Board of Directors met once during FY 2018:

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

The following members represent the City on the board:

- Michael Mendoza, Vice Chair - City representative, (attended 1 of 1 meetings)
- April Allen – City representative, (attended 1 of 1 meetings)
- Alexander Kosarow - City representative, (attended 0 of 1 meetings)
- James Sharp - City representative, (attended 1 of 1 meetings)
- Gregory McCormack was also appointed during the year, but no additional meetings were held.

The following board members represent the taxing jurisdictions:

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

In additional, a subcommittee of the Board (including Michael Mendoza, James Sharp, and Steve Park) was formed to discuss district-wide improvement guidelines and potential projects and met twice during the year.

During FY 2018 the City Council approved directly associated with the Oak Cliff Gateway TIF District.

- On February 28, 2018, the City Council approved Resolution 18-0348 accepting the FY 2016-2017 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Three (Oak Cliff Gateway TIF District), submitted by the Oak Cliff Gateway TIF District's Board of Directors, and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District, and to the State Comptroller, as required by state law.

## Budget and Spending Status

<b>Oak Cliff Gateway TIF District Projected Increment Revenues to Retire TIF Fund Obligations</b>			
Category	TIF Budget <sup>1</sup>	Allocated	Balance
<b>Oak Cliff Gateway Sub-district:</b> <ul style="list-style-type: none"> <li>• Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial</li> <li>• Façade Improvements</li> <li>• Environmental Remediation and Demolition</li> <li>• Pedestrian Linkages/Lighting</li> <li>• Economic Development Grants</li> </ul>	\$34,158,098	\$18,319,760	\$15,838,338
<b>Bishop/Jefferson Sub-district:</b> <ul style="list-style-type: none"> <li>• Public Infrastructure Improvements including Streets, Streetscape, Water, Wastewater, Utility Burial</li> <li>• Façade Improvements</li> <li>• Environmental Remediation and Demolition</li> <li>• Pedestrian Linkages/Lighting</li> <li>• Economic Development Grants</li> </ul>	\$32,320,901	\$16,250,000	\$16,070,901
Educational/Training Facilities	\$753,221	\$0	\$753,221
Administration and implementation <sup>2</sup>	\$2,809,986	\$1,034,221	\$1,775,765
<b>Total Project Costs</b>	<b>\$70,038,314</b>	<b>\$35,603,981</b>	<b>\$34,434,333</b>
<sup>1</sup> Budget shown above in current dollars; TIF Project Plan shows the budget in net present value. <sup>2</sup> TIF administration costs shown are expended or committed through FY 2018.			



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

<b>Oak Cliff Gateway TIF District M/WBE Participation</b>				
<b>Project</b>	<b>Contractor</b>	<b>Contract Award Amount</b>	<b>Minority Participation in Dollars (% of contract)</b>	
Oak Cliff TIF Project	Tiseo Paving Company	\$1,964,830	\$383,731	(19.53%)
Lake Cliff Tower Project	CST Environmental	\$648,800	\$533,768	(82.27%)
Lake Cliff Tower Project	Mid-Continental Phase II-IV	\$2,184,825	\$535,500	(24.51%)
Lake Cliff Tower Streetscape	Texas Standard	\$363,530	\$363,530	(100.00%)
Zang Triangle	Billy Nabors Demolition and Mission Site Services	\$1,537,981	\$652,841	(42.45%)
Alexan Trinity	Salcedo Group Mission Site Services	\$369,396	\$225,130	(60.95%)
Totals (% of all contracts)		\$7,069,362	\$2,694,500	38.12%
<p>1. M/WBE participation is shown above for public improvements. It was not applicable for Walgreens.  2. The City's Business Inclusion and Development program provides goals for minority and women-owned business participation.</p>				

## **FY 2018-2019 Work Program**

- Continue coordination efforts for implementation of current and potential development projects.
- Continue to actively market the district with emphasis on high-density mixed-use development with a sustainable mix of retail, commercial/office and residential development in key target areas.
- Work closely with the City of Dallas Public Works and Transportation department to coordinate the completion of infrastructure improvements funded by the City's 2006 Bond Program and the North Central Texas Council of Government's Sustainable Development Grant for the area.
- Coordination with the City of Dallas Trinity River Development Office and Park Department to ensure a cohesive and coordinated effort and to ensure that the TIF District Project Plan and Master Plan are not adversely affected or compromised and to ensure the planned pedestrian and vehicular linkages to the Trinity River Corridor are preserved.
- Continue to evaluate updated plans for the Horseshoe Project, the Texas Department of Transportation scheduled reconstruction of I-30 from Sylvan Avenue to I-35 and I-35 from Eighth Avenue to I-30. Assess the impact on developable properties adjacent to both I-30 and to I-35.

- Strategic planning for the district to encourage alternative modes of transportation and connections to parks/trails.

### **Pending TIF Items**

- Consideration of the FY 2017-2018 Oak Cliff Gateway TIF District Annual Report and a recommendation to the Dallas City Council for approval.

## Appendix A – FY 2018 Financials

City of Dallas, Texas  
 Oak Cliff Area Gateway Tax Increment Financing District  
 Reinvestment Zone Number Three  
 As of September 30, 2018

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIF District. Information is contained in detail on the attached financial statements.

**1. Amount and source of revenue in the tax increment fund established for the zone:**

	\$23,719 Interest Income
	\$2,157,486 Ad Valorem Taxes (Collected in FY 2017-18 based on 2017 tax year Final Tax Roll)
	\$2,181,205 Total Revenue

**2. Amount and purpose of expenditures from the fund:**

	\$45,015 Administrative Expense
	\$2,785,956 Non-Capital outlay*
	\$574,881 Capital outlay *
	\$0 Additional Subsidy in Form of Grant (in lieu of interest expense)
	\$3,405,852 Total Expenditures

\* These expenditures are for the following Projects:

Alexan Trinity Project	\$2,785,956 Economic Development Grant
Alexan Trinity Project	\$574,881 Public Infrastructure, Pedestrian Linkages & Lighting
PNV Design studio cost	\$756 Reimbursement to General Fund
Total	\$3,360,838

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

Oak Cliff Gateway TIF District has incurred no bonded indebtedness as of September 30, 2018.

**b. The zone has the following contingent obligations reimbursed from available TIF funds as of September 30, 2018:**

Project Description	Balance Due (Since Inception)			Payments/Adjustments To Date			Net Bal. Due
	Principal	Accrued Add'l Subsidy (1)	Total Due	Principal	Accrued Add'l Subsidy (1)	Total Paid	
Jefferson at Kessler Heights	\$1,500,000	\$676,404	\$2,176,404	\$1,500,000	\$676,404	\$2,176,404	\$0
Lake Cliff Tower Redevelopment	\$3,950,086	\$862,205	\$4,812,291	\$3,950,086	\$862,205	\$4,812,291	\$0
Bishop Colorado Retail Plaza	\$350,000	\$0	\$350,000	\$350,000	\$0	\$350,000	\$0
Zang Triangle Project	\$7,250,000	\$0	\$7,250,000	\$7,250,000	\$0	\$7,250,000	\$0
Alexan Trinity Project	\$4,000,000	\$0	\$4,000,000	\$3,590,200	\$0	\$3,590,200	\$409,800
<b>Totals</b>	<b>\$17,050,086</b>	<b>\$1,538,609</b>	<b>\$18,588,695</b>	<b>\$16,640,287</b>	<b>\$1,538,609</b>	<b>\$18,178,895</b>	<b>\$409,800</b>

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

d. The Zone entered into a development agreement with ATA Apartments Limited Partnership for the Alexan Trinity project in an amount not to exceed \$4,000,000. The zone began reimbursements in fiscal year 2015 and the developer is anticipated to be paid off in 2019.

e. The Zone entered into a development agreement with Bishop Arts, LLC for the Bishop Arts Phase I project in an amount not to exceed \$5,000,000 with reimbursement to begin after project completion and upon availability of TIF funds. An additional \$25,000 was authorized in 2015 towards the cost of a parking study with that expenditure to be paid from administration upon acceptance of all documentation.

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

g. The Zone entered into a development agreement with Alamo Manhattan Bishop Arts I, LLC for the Bishop Arts Phase I project in an amount not to exceed \$11,250,000 with reimbursement to begin after project completion and upon availability of TIF funds.

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

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

Taxing Jurisdiction	Taxable Value 2018	Base Years	
		1992, 2014 & 2015 Value	Est. Captured Value 2018**
City of Dallas-Zone A & B	\$271,665,529	\$40,097,623	\$231,567,906
City of Dallas-Zone C	\$882,020	\$613,040	\$268,980
City of Dallas-Bishop/Jefferson Sub-district	\$249,762,636	\$105,142,079	\$144,620,557
Dallas County-Zone A & B	\$271,873,785	\$40,050,663	\$231,823,122
Dallas County-Zone C	\$882,020	\$613,040	\$268,980
Dallas County-Bishop/Jefferson Sub-district	\$250,366,269	\$105,090,479	\$145,275,790

\*\* Based on Certified Taxable Values. Final values will be determined on February 01, 2019.

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

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

Taxing Jurisdiction	Assessment Per \$100	Amount of Estimated 2018 Increment***
City of Dallas-Zone A & B	0.77670	\$1,528,800
City of Dallas-Zone C	0.77670	\$1,776
City of Dallas-Bishop/Jefferson Sib-district	0.77670	\$1,010,941
Dallas County-Zone A & B	0.24310	\$366,315
Dallas County-Zone C	0.24310	\$556
Dallas County-Bishop/Jefferson Sib-district	0.24310	\$229,558
Total for all Jurisdictions	\$3.05940	\$3,137,945

\*\*\* Participation rates are as follows:

Taxing Jurisdiction	Rate	Tax Years
City of Dallas-Zone A & B	85%	2009-2027
City of Dallas-Zone C	85%	2016-2027
City of Dallas-Bishop/Jefferson Sub-district	90%	2015-2044
Dallas County-Zone A & B	65%	2009-2022
Dallas County-Zone C	65%	2016-2022
Dallas County-Bishop/Jefferson Sib-district	65%	2015-2034

B. The total amount of estimated tax increment to be billed for the 2018 tax year is \$3,137,945. For the 2017, the zone collected increment of \$2,157,486.

City of Dallas, Texas  
 Oak Cliff Area Gateway Tax Increment Financing District Fund  
 Balance Sheet as of September 30, 2018 (Unaudited)  
 With Comparative Totals for September 30, 2017, 2016, 2015, and 2014 (Audited)

	2018	2017	2016	2015	2014
<b>Assets:</b>					
Pooled cash and cash equivalents	\$2,663,084	\$2,109,737	\$305,489	\$82,234	\$14,645
Interest receivable	\$6,219	\$5,205	\$517	\$2,165	\$78
<b>Total assets</b>	<b>\$2,669,302</b>	<b>\$2,114,942</b>	<b>\$306,006</b>	<b>\$84,398</b>	<b>\$14,723</b>
<b>Liabilities and Fund Balance (Deficit):</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$1,989,660	\$0	\$0	\$83,884	\$0
Due to general fund	\$20,351	\$32,516	\$32,516	\$32,516	\$12,165
Advances from developers	\$0	\$0	\$0	\$0	\$0
Accrued liability	(\$2,879)	\$195,608	(\$2,879)	(\$2,879)	(\$2,879)
<b>Total liabilities</b>	<b>\$2,007,132</b>	<b>\$228,124</b>	<b>\$29,637</b>	<b>\$113,521</b>	<b>\$9,286</b>
<b>Fund Balance (Deficit):</b>					
Fund Balance (Deficit)	\$662,171	\$1,886,818	\$276,369	(\$29,122)	\$5,437
<b>Total Liabilities and Fund Equity</b>	<b>\$2,669,302</b>	<b>\$2,114,942</b>	<b>\$306,006</b>	<b>\$84,398</b>	<b>\$14,723</b>
	\$0	\$0	\$0	\$0	\$0

Oak Cliff Area Gateway Tax Increment Financing District Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
 Balance Sheet as of September 30, 2018 (Unaudited)  
 With Comparative Totals for September 30, 2017, 2016, 2015, and 2014 (Audited)

	ITD	2018	2017	2016	2015	2014
<b>Revenues:</b>						
Tax increment-Governmental	\$11,543,842	\$1,745,198	\$1,503,787	\$1,324,054	\$972,026	\$667,459
Tax increment-Intergovernmental	\$7,525,476	\$412,288	\$345,443	\$299,110	\$270,426	\$169,546
Interest income	\$452,274	\$31,046	\$14,425	\$3,886	\$1,329	\$386
Grant from City/Developer contribution	\$309,480	\$0	\$0	\$0	\$0	\$0
Net increase(decrease) in fair value of investments	(\$5,020)	(\$7,326)	(\$4,015)	\$242	\$335	(\$67)
<b>Total revenues</b>	<b>\$19,826,052</b>	<b>\$2,181,205</b>	<b>\$1,859,640</b>	<b>\$1,627,292</b>	<b>\$1,244,117</b>	<b>\$837,323</b>
<b>Expenditures:</b>						
Administrative expenses	\$1,034,221	\$45,015	\$50,705	\$78,940	\$98,407	\$60,694
Non-Capital outlay	\$12,287,533	\$2,785,956	\$198,487	\$1,242,860	\$1,096,386	\$438,290
Capital outlay	\$4,466,170	\$574,881	\$0	\$0	\$83,884	\$375,000
Interest and fiscal charges	\$1,376,146	\$0	\$0	\$0	\$0	\$0
<b>Total expenditures</b>	<b>\$19,164,070</b>	<b>\$3,405,852</b>	<b>\$249,192</b>	<b>\$1,321,801</b>	<b>\$1,278,676</b>	<b>\$873,984</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$661,983</b>	<b>(\$1,224,647)</b>	<b>\$1,610,449</b>	<b>\$305,491</b>	<b>(\$34,559)</b>	<b>(\$36,661)</b>
<b>Fund balance (Deficit) at beginning of year as previously reported</b>	<b>\$0</b>	<b>\$1,886,818</b>	<b>\$276,369</b>	<b>(\$29,122)</b>	<b>\$5,437</b>	<b>\$42,098</b>
Prior period restatement	\$188	\$0	\$0	\$0	\$0	\$0
<b>Fund balance (Deficit) at beginning of year, as restated</b>	<b>\$188</b>	<b>\$1,886,818</b>	<b>\$276,369</b>	<b>(\$29,122)</b>	<b>\$5,437</b>	<b>\$42,098</b>
<b>Fund balance (deficit) at end of year</b>	<b>\$662,171</b>	<b>\$662,171</b>	<b>\$1,886,818</b>	<b>\$276,369</b>	<b>(\$29,122)</b>	<b>\$5,437</b>

Note: Fiscal year 2017-18 unaudited financial statements are based on preliminary close numbers and are subject to review by the City Controller's Office prior to approval by the City Council. In case of any material changes, TIF board will be provided with the updated financial statements.

City of Dallas, Texas  
Oak Cliff Gateway Area Tax Increment Financing District  
Notes to Financial Statements for the Year Ended September 30, 2018  
(Unaudited)

1. The measurement focus used for the TIF Zone fund is a flow of financial resources. The financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, tax increment revenues and interest are recognized as revenue when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.
2. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
3. The Zone's cash balances are invested in the City's investment pool and include amounts in demand deposits as well as short-term investments. Pooled investments and short-term non-pooled investments are treated as cash equivalents. Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.
4. The Zone's Financial Plan permits expenditures not to exceed \$2,809,986 (in current \$) over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the General Fund in fiscal year 1998-99. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
5. All project costs resulting in capital improvements that are owned by the City of Dallas are capitalized.
6. "Due to general fund" amount of \$20,350.66 at September 30, 2018 represents the TIF administration costs that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF funds.
7. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

## **Appendix B – Financial Obligations Estimated Payoff**

The District currently has three outstanding developer obligations. The Zang Triangle project received final reimbursement in FY 2017.

- Alexan Trinity (now Oaks Trinity) project has a remaining \$409,800 for full payoff anticipated by the FY 2019 increment collection.
- The Bishop Arts Phase I project is approved for future reimbursement up to \$5,025,000 upon completion of the project requirements. Based on current projections that include general increment from the District, the developer could be fully reimbursed by tax year 2024 (calendar year 2025).
- The Bishop Arts Station project is approved for future reimbursement up to \$11,250,000 upon completion of the project requirements. Based on current projections that include general increment from the District, the developer could be fully reimbursed by tax year 2030 (calendar year 2031).



## **Appendix C – District-wide Set Aside Funds**

The TIF Increment Allocation Policy adopted by the TIF Board for the Oak Cliff Gateway TIF District, provides that, following the full reimbursement of the Zang Triangle Project, the TIF Board may set aside 15% of the Oak Cliff Gateway Sub-District Increment for District-Wide Improvements after administrative expenses. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs. After the termination of the Oak Cliff Gateway Sub-district in 2027 (calendar year 2028), 15% of the Bishop/Jefferson Sub-district will be set aside for District-Wide Improvements.

The current Allocation Policy further provides that up to 2/3 of the District Wide Set Aside will be made available for the Bishop Arts Village Phase I project until fully reimbursed. The project is not yet eligible for reimbursement.

FY 2017 was the first year that district-wide set aside funds were available and with the addition of the FY 2018 set aside the balance totals \$470,820. Staff will work with the Board to consider potential requests for the use of those funds.

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