

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 Six ("Farmers Market TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Farmers Market area pursuant to Ordinance No. 23521, authorized by the City Council on May 27, 1998, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Resolution No. 99-2677; Ordinance No. 24001, as amended; and

WHEREAS, on March 27, 2013, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Farmers Market TIF District by Resolution No. 13-0534; Ordinance No. 28951, 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 10, 2018, the Farmers Market TIF District Board of Directors passed a motion accepting the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Six 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 Six (Farmers Market 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 Six 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.



EXHIBIT A
Farmers Market TIF District
FY 2017-2018 Annual Report



City of Dallas

Office of Economic Development
1500 Marilla Street, 2CN
Dallas, Texas 75201
(214) 670-1221
<http://www.dallas-ecodev.org>.

October 1, 2017 to September 30, 2018

Reinvestment Zone Number Six Farmers Market Tax Increment Financing District



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Mission Statement

The mission of the Farmers Market Tax Increment Financing District is to provide a source of funding for public infrastructure improvements to promote the redevelopment, stabilization and growth of the Farmers Market TIF District area. An accompanying goal is the stabilization and growth of the value of the area's tax base and support of the Dallas Farmers Market.

The Dallas City Council established the Farmers Market TIF District by Ordinance Number 23521 on May 27, 1998. The Farmers Market TIF District took effect on October 1, 1998.

In 2013, the Project and Reinvestment Zone Financing Plan was amended to increase the geographic area of the Farmers Market TIF District to include properties located south and east of the existing boundary and extend the term of the District to December 31, 2028 and other related changes as approved by Ordinance 28951. In 2015, the Project and Reinvestment Zone Financing Plan was further amended to increase the geographic area of the Farmers Market TIF District to include properties located on the east side of Harwood Street, south of Canton Street and to adjust the TIF Budget to reflect an increase in TIF collections. As per the amendments, the City of Dallas and Dallas County are the two participating jurisdictions; the City's participation is 90%, and the County's participation is 40%.

Farmers Market TIF District Accomplishments

The Farmers Market TIF District was initially created to facilitate the redevelopment of vacant and underutilized land adjacent to the Dallas Farmers Market. The District was amended to promote redevelopment of the Dallas Farmers Market. With more new residential development under construction and planned, the area is maturing as a major contributor to the revitalization and growth of the downtown area.



Phase 1A of The Park at Farmers Market features 620 apartment units and a clubhouse. Public improvements in Phase 1A include the extension of Marilla Street into the project, construction of Farmers Market Way, streetscape improvements and street lighting. Construction of Phase 1B, with 284 apartment units, is completed on the site immediately south of Phase 1A.

Phase II, a 17-unit townhouse development at the northeast corner of Canton Street and South Cesar Chavez Boulevard, were completed during the summer of 2000. Public improvements for Phase II include streetscape improvements, street lighting, wastewater and water improvements.



Camden Phase 1A apartments



Camden Phase II - 17 Town Homes

Farmers Market/Deep Ellum Connector Walkway provides connectivity from the District to the Deep Ellum entertainment District, it was completed in 2002. Improvements such as lighting and benches in conjunction with the Bark Park Central project were completed and banners were installed in 2004. Recently, Deep Ellum Foundation with the support of the Farmers Market TIF funds added lighting to the Art Park and commissioned new art work.



Farmers Market/ Deep Ellum
Connector Walkway



Lighting and open space
improvements

The Harlan Building was completed in 2005. The renovation of the structure provides 10,000 square feet of retail/commercial space and 5 residential units. The public improvements associated with the project included water and wastewater improvements, paving, streetscape, demolition, environmental remediation and façade improvements.



The Harlan Building

Perry Homes has constructed forty-four, three story townhomes - the Farmers Market Way Townhomes (Cityview at Farmers Market Townhomes) at the corner of Farmers Market Way and Cesar Chavez Boulevard.



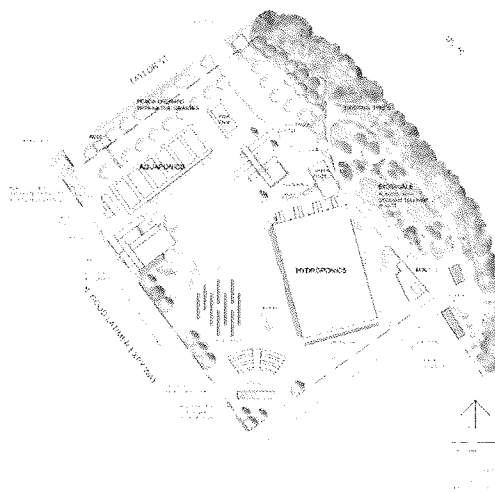
Perry Homes – Cityview at Farmers Market

An additional 28 townhomes were built in 2010 and 2011 along Young Street at Cesar Chavez.



Texas InTownHomes, LLC has constructed 108 single-family townhomes called Farmers Market Square, at the southeast corner of Canton Street and Pearl Street. The total private cost of the Farmers Market Square Project was approximately \$47.7 million (FY DCAD value is \$66.7M). The cost of related TIF eligible public improvements is \$3,000,000. These improvements included paving, streetscape and pedestrian lighting improvements on Cesar Chavez Boulevard, Canton Street, Marilla Street and Pearl Street. The project construction started in December 2011 and was completed during the fiscal year. All but the model unit (currently not for sale) has been sold.

Eat the Yard is a veteran owned urban farming business to grow a diverse selection of produce and herbs, using environmentally friendly methods. The proposed project will be located at the southeast corner of Taylor Street and Good Latimer Street, two blocks from the Dallas Farmers Market. On May 25, 2016 City Council authorized a ten-year lease agreement, with two five-year renewal options with Farmers Assisting Returning Military, a Texas 501(c)(3) non-profit corporation, to be used as an urban farm.



Project Under Construction:

Farmers Market Redevelopment Plan is underway to revitalize the Dallas Farmers Market in to a vibrant urban neighborhood includes multiple components:

- Shed 1 is renovated and now operating as a marketplace for local farmers, farm merchants and vendors to sell produce and other farm-related products. It has capacity for 119 stalls.
- Shed 2 has been renovated and contains 24,148 square feet of retail space. It is active with restaurants, specialty food vendors and other retail vendors. Part of the Shed 2 redevelopment is the Mudhen restaurant, located just north of the Shed 2 parking lot.
- North Texas Food Bank purchased the Farmers Market Administration Building in 2014 and relocated its administration office to that site in 2015.
- Harvest Lofts Mixed Use Project (Sheds 3 and 4) is complete and contains 240 residential units, 16,000 square feet of retail space and 300 public parking spaces, purchased by the City of Dallas during the fiscal year.
- 2101 and 2111 Taylor Street project is under construction and will include 60 residential units and 25,000 square feet of commercial space.
- Construction of the futsal fields and community gardens on land east of southbound Cesar Chavez Boulevard is underway.



Mudhen Restaurant



Street view between Taylor Building and
Farmers Market Shed 2 Harvest Lofts
(Shed 3 and 4) in distance

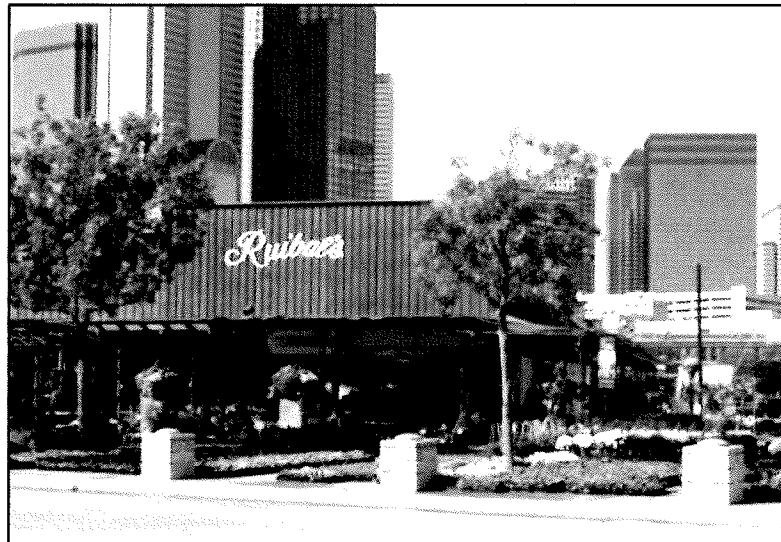


Taylor Street construction

Total private development in the Farmers Market TIF District completed so far is approximately \$358.9 million and an additional \$66.6 million investment is under construction in the area.



Banners/Streetscape



Ruibal's at Farmers Market

Farmers Market TIF District Projects¹						
Projects Within TIF District Utilizing TIF Funding						
Project	Location	Year Complete	Status	Units/ SF²	Approx. Value³	TIF Investment⁴
The Park at Farmers Market Phase 1A Apts.	2210 & 2410 Canton St.	2001	Complete	620 apartments	\$88,904,070	\$3,456,274
Townhomes Project, Phase IIA	2205 Canton St.	2001	Complete	17 Townhomes	\$5,346,070	\$162,225
Farmers Market/Deep Ellum Connector Walkway		2002	Complete	N/A	N/A	\$697,970 ⁵
Bark Park Central improvements in Farmers Market/Deep Ellum Connector		2004	Complete	N/A	N/A	
Harlan Building Redevelopment Project	2018 Cadiz St.	2005	Complete	5 units 10,00 SF commercial	\$1,155,000	\$649,900
Farmers Market Project Phase IB- Apartments	625 S Good Latimer Expwy	2005	Complete	284 apartments	\$43,095,930	\$742,031
Farmers Market Redevelopment Phase I		2015	Complete	Design work for the Farmers Market Redevelopment	N/A	\$1,664,832
Farmers Market Square (InTown)		2017	Complete	108 Townhomes	\$66,920,250	\$3,000,000
Farmers Market Redevelopment Phase II ⁷ :			Complete /Under Construction	Shed 1 Project (room for 119 stalls/20,000 sf), Shed 2 (24,148 sf retail + 6,310 restaurant) Shed 3 and 4 (Harvest Lofts) (240 apts, 16,000 sf retail, parking for project and public); Taylor	\$66,571,645 (anticipated)	\$18,503,195

				Street (60 apts, 25,000 sf commercial and Futsal Projects		
Total of projects within TIF using TIF funding 1,144 apartment units completed 130 townhomes completed 76,458 square feet commercial use completed 60 residential units under construction 25,000 square feet retail/restaurant/commercial space under construction					\$205,421,320 Completed + \$66,571,645 Under Construction = \$271,992,965	\$28,876,427
Projects Within TIF District Not Utilizing TIF Funding⁵						
Farmers Market Way Townhomes	1000 S. Cesar Chavez Blvd.	2007	Complete	44 Townhomes	\$22,014,330	\$0
2100 Downtown Townhomes ⁶	2140 Young St. (various)	2010/2011	Complete	28 Townhomes	\$13,058,320	\$0
Alta Farmers Market	1110 S Cesar Chavez Blvd	2015	Complete	313 Units	\$56,665,000	\$0
Alliance Residential	835 S. Good Latimer	2016	Complete	340 Units	\$57,500,000	\$0
Life Storage	717 S. Good Latimer	2016	Complete	Self-Storage Facility	\$4,280,000	\$0
Total of projects within TIF NOT using TIF funding 653 apartment units completed 72 townhomes completed					\$153,517,650 Completed \$0 Under construction	\$0
Total 1,797 apartment units completed 202 townhomes completed 76,458 square feet commercial use completed 60 residential units under construction 25,000 square feet retail/restaurant/commercial space under construction					\$358,938,970 Completed + \$66,571,645 Under Construction = \$425,510,615	\$28,876,427

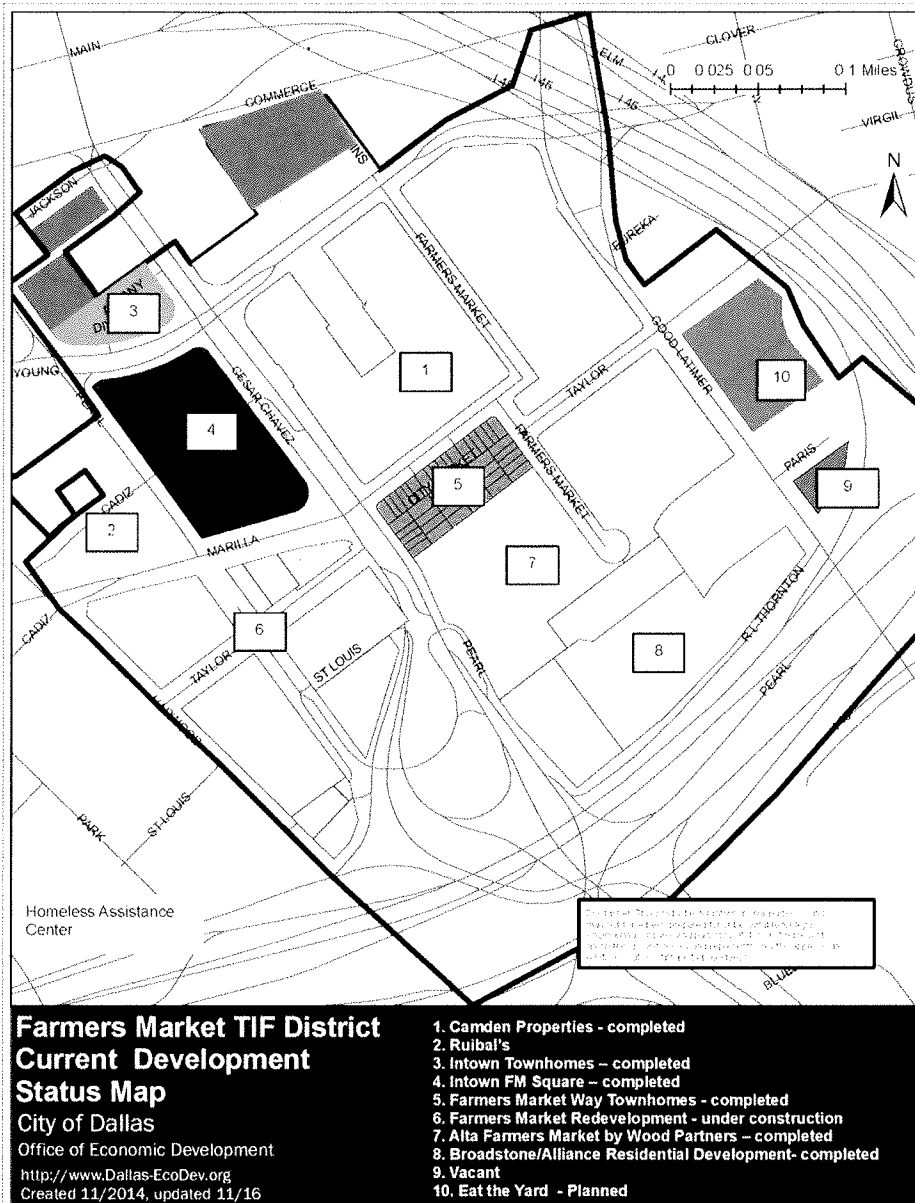
¹ All information updated as of September 30, 2018.
² Based upon either the TIF application or required minimum stated in the development agreement. May be updated for completed projects based on actual unit mix and square footage.
³ Based upon 1) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) City GIS & 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 and/or the demolition of structures is netted out.
⁴ Principal amounts not to be exceeded per the development agreement.
⁵ TIF Investment for Farmers Market/Deep Ellum connector includes the TIF investment for the Bark Park Central improvements, Lighting near Art Park and Open space improvements (\$25,000) and Pearl Street conceptual design work (\$25,000).
⁶ Development Agreement with 2100 Downtown Condominium LLC was rescinded.
⁷ Per the TIF program mixed-income housing requirement, the project is providing at least 20% of units as affordable; 240 unit Harvest Lofts is occupied.

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. The District was created prior to adoption of the Mixed-Income Housing Policy. When the TIF Plan was amended in 2013, provisions for affordable housing were added. In this District, a total of 1,274 have been built to date using TIF funds and 48 have been set-aside as affordable (20% of units funded since Mixed-Income Housing Policy was adopted for the Farmers Market TIF District). There is little remaining development opportunity and therefore it is anticipated that there will not be a substantial number of additional affordable units added within the Farmers Market TIF District boundary area. Announcements have been made for apartments just west of the TIF District boundary which could add market rate housing adjacent to the District.

Farmers Market TIF District Housing Counts	# of Units
Completed TIF residential units	1,274
Non-TIF funded residential units	725
Total completed units within TIF boundary	1,999
Units under construction	60
Affordable units constructed	48
Affordable units under construction	12

Note that the Farmers Market TIF District Mixed-Income Housing Policy was adopted in 2013; only Harvest Lofts has been constructed since implementation of the Policy.



Value and Increment Revenue Summary

The Farmers Market TIF District's assessed 2018 tax value was \$409,340,216, an increase of \$373,626,125 over the amended base year (note that County base and County taxable value may vary). This property value change represents 1046% increase from the adjusted base value. The 2018 tax value increased \$50,658,241 (14%) over the 2017 tax value. The total revenue collected from 2018 values is expected to be \$2,894,982.

Development Goals and Objectives

On August 25, 1999, the City Council passed Ordinance Number 24001 as amended, which approved the Farmers Market Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan. Among the goals of the Plan are:

- Goal 1: Create additional taxable value attributable to new private investment in projects in the Farmers Market TIF District totaling approximately \$114,000,000 over the term of the District.
Total private development in the Farmers Market TIF District completed so far is approximately \$358.9 million and an additional \$66.6 million investment is under construction or planned in the area (373% of goal).
- Goal 2: Create urban neighborhood in southeast quadrant of downtown that capitalizes on proximity to the Dallas Farmers Market and supports concepts developed in the Downtown 360 Plan.
City of Dallas initiated an effort to promote the redevelopment of the Dallas Farmers Market and this effort to convert the southeast quadrant of downtown into a vibrant urban neighborhood is well underway.
- Goal 3 – Facilitate redevelopment of the current Dallas Farmers Market area to adapt to changing market conditions and anchor the neighborhood.
Dallas Farmers Market Shed 1 has been renovated as part of the Farmers Market Redevelopment Project to include improvements to meet the existing market conditions. A diversified tenant mix in Shed 1 and the addition of Shed 2 restaurants and retail support the changing neighborhood.
- Goal 4 – Improve pedestrian, transit, bicycle and vehicular connections from the Farmers Market TIF District to the Downtown Core, Government District, Deep Ellum Entertainment District and Dallas Heritage Village/Cedars neighborhood.
Beginning in 2016, the D-Link downtown shuttle service provides circulation to and from Farmers Market. Staff and the Board will continue to seek ways to improve pedestrian, transit, bicycle and vehicular connections from the District to various destinations. The update to the Downtown 360 Plan focuses on such connections.
- Goal 5 – Generate approximately \$19.2 million in total TIF collections through the end of the term of the TIF District in 2028 (final collection in 2029).
This initial goal was set in net present value (NPV). Collections to date equal \$7.66M NPV. Since the inception of the Farmers Market TIF District in 1998, the tax value has increased by 1046%.
- Goal 6 – Diversify retail and commercial uses in the Farmers Market TIF District.
26,000 square feet of retail space plus an additional 20,000 square feet of space that accommodates up to 119 farm-related produce and product stalls in Shed 1 are complete in the Farmers Market TIF District. The completed Farmers Market

Shed 2 and Mudhen restaurant adds an additional 30,458 square feet of retail and restaurant space. Taylor Street Lofts is underway, adding to the diversification of retail and commercial space in the District.

- Goal 7 – Encourage the development of housing in the Farmers Market TIF District that is available to households with diverse income levels.
The Farmers Market TIF adopted the Mixed-income Housing Guidelines to promote housing for diverse income levels for development receiving TIF funding initiated after 2013. Projects approved after 2013 are required to set-aside 20% of residential units as affordable housing units.
- Goal 8 – Develop 1,700 housing units within the Farmers Market TIF District; and 100,000 square feet of commercial, restaurant and farmers market space.
Since the creation of the Farmers Market TIF District, 1,999 residential units (118% of goal) (1,797 apartments, 202 townhomes) and 76,458 square feet of commercial space (76.5% of goal) has been completed. Currently, an additional 60 residential units are under construction. The development that will occur in the next few years will exceed the commercial use goal with 25,000 square feet of retail/restaurant space under construction.
- Goal 9 – Encourage the redevelopment of the current Dallas Farmers Market area including the sale of some City-owned property in the area and some streets reconfigured to create a more usable site.
Portion of the development are complete while other phases are currently under construction with a mix of residential, retail/restaurant and recreational space. The City purchased the 300 public parking spaces in FY 2016-2017.



Shed 1 – helping to meet several Farmers Market TIF District Goals

Year-End Summary of Meetings

During the period of October 1, 2017, through September 30, 2018, the Farmers Market TIF Board met one time, on December 11, 2017.

The FY 2017-2018 Board members are: Neal Sleeper, Chair (term expired during the FY) - City Representative (1 of 1 meetings), George (Rob) J. Robinson - City Representative (1 of 1 meetings), Mark Ruibal - City Representative (1 of 1 meetings), Matthew Vermillion - City Representative (1 of 1 meetings), Veronica Simmons - City Representative (0 of 1 meetings), Ivy Sweeney – City Representative (0 of 1 meetings) and Rick Loessberg – Dallas County Representative (1 of 1 meetings).

During the fiscal year, the City Council approved one item directly associated with the Farmers Market TIF District:

On February 28, 2018, City Council approved Resolution No. 18-0351, accepting the FY 2016-2017 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Six, (Farmers Market TIF District), submitted by the Farmers Market 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 - Financing: No cost consideration to the City

Pending TIF Items

- FY 2017-2018 Annual Report, Farmers Market TIF District.

Budget and Spending Status

Each TIF District establishes a budget for the public improvement expenditures necessary to support private investment in the district in the Project Plan and Reinvestment Zone Financing Plan. The Farmers Market TIF District budget and spending to date is shown in the following tables:

Farmers Market TIF District Project Plan Budget	
Category	TIF Budget (in NPV)
Phase IA	\$4,162,445
Deep Ellum Connector	\$197,138
Phase IB	\$336,434
Phase II	\$1,666,033
Harlan Building Redevelopment	\$162,475
Farmers Market Area Improvements	\$11,948,989
Administrative	\$765,000
Total	\$19,238,514

Farmers Market TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget ¹	Allocated ²	Balance
Phase IA ³	\$10,869,717	\$8,125,410	\$2,744,307
Deep Ellum Connector ⁴	\$672,970	\$672,970	\$0
Phase IB	\$742,031	\$742,031	\$0
Phase II ⁵	\$4,350,642	\$3,162,225	\$1,188,417
Harlan Building	\$424,284	\$0	\$424,284
Farmers Market Area Improvements	\$31,203,326	\$20,168,027	\$11,035,299
TIF Administration ⁶	\$1,976,061	\$854,849	\$1,121,212
Total	\$50,239,031	\$33,725,512	\$16,513,519

1. Budget shown above in current dollars
 2. Allocated includes money expended and committed for existing and future projects.
 3. Phase 1A and Phase II includes \$7,654,743, funds advanced by the City.
 4. Deep Ellum Connector includes – Lighting near Art Park and Open Space Improvements (AA)- \$25,000 & Pearl Street conceptual design – 25,000.
 5. Phase II includes Farmers Market Square and Phase IIA
 6. TIF administration fee includes funds expended or committed through FY 2018.
 NPV value of \$19,238,514

District Set-Aside

The Farmers Market TIF District has one set-aside, District-Wide Improvements. These funds are intended for improvements that are not specific to a single development site such as gateways, trails, open space, public facilities, or utility/streetscape improvements benefiting multiple properties or blocks. \$963,064 in the District-Wide Improvement Set-Aside is available to date.

Farmers Market M/WBE Participation				
Project	Contractor	Total Contract	Contract Awarded	% Minority Participation
Marilla St. & Farmers Market Way Infrastructure	Tiseo Paving	\$15,466,589	\$1,791,031	11.58%
Marilla St. & Farmers Market Way Streetscape	Gibson & Assoc., Inc.	\$21,761,854	\$1,863,606	8.56%
Marilla St. & Farmers Market Way Streetscape – contract increase	Gibson & Assoc., Inc.	\$1,272,337	\$120,872	9.50%
Good Latimer Expwy Streetscape	Gibson & Assoc., Inc	\$1,834,207	\$425,536	23.20%
Canton St. & S. Cesar Chavez Blvd Infrastructure	New Star Grading & Paving	\$295,908	\$197,045	66.59%
Farmers Market Townhomes Phase IIA Water & Waste Water	Saber Development Corporation	\$4,477,258	\$138,795	3.10%
Camden Farmers Market Ph. 1B, parcel 1 – Streetscaping, Water & Waste Water	Gibson & Assoc., Inc.	\$2,384,950	\$617,702	25.90%
Harlan Building Redevelopment	Nedderman & Assoc.	\$3,693,182	\$650,000	17.60%
Farmers Market Square	Fenway Development	\$3,103,062	\$1,402,584	45.20%
Farmers Market Redevelopment – Shed 2	Benge GC	\$1,784,987	\$311,807	17.47%
Total		\$56,074,334	\$7,518,978	13.41%

Includes only completed construction projects.

FY 2019 Work Program

- Monitor and assist completion of the Farmers Market Redevelopment Project.
- Support the development of Liberty State Bank Preservation Phase II development.
- Promote development in the vacant property within the District.
- Continue facilitating partnership with Farmers Market and other organizations in strengthening the Farmers Market TIF District.
- Support connectivity initiatives to assist in tying Farmers Market with other downtown neighborhoods.

Appendix A: Financials

City of Dallas, Texas
Farmers Market 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
Assets:					
Pooled cash and cash equivalents	\$1,276,454.69	\$952,813.37	\$2,009,332	\$2,508,902	\$5,053,473
Interest receivable	\$3,049.45	\$2,435.00	\$2,754	\$3,064	\$5,324
Total assets	\$1,279,504	\$955,248	\$2,012,086	\$2,511,967	\$5,058,797
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts & contracts payable	\$0	\$0	\$0	\$1,314,000	\$3,000,000
Advances from developers	\$2,496	\$2,496	\$2,496	\$2,496	\$2,496
Advances from City	\$4,491,169	\$4,491,169	\$4,491,169	\$4,491,169	\$4,491,169
Due to general fund	\$0	\$16,786	\$16,786	\$16,786	\$16,786
Accrued liability	\$22,759	\$32,729	\$32,729	\$32,243	\$22,759
Total liabilities	\$4,516,425	\$4,543,180	\$4,543,180	\$5,856,694	\$7,533,211
Fund Balance (Deficit):					
Fund Balance (Deficit)	(\$3,236,920)	(\$3,587,932)	(\$2,531,094)	(\$3,344,727)	(\$2,474,414)
Total Liabilities and Fund Equity	\$1,279,504	\$955,249	\$2,012,086	\$2,511,967	\$5,058,797
	\$0	\$0	\$0	\$0	\$0

Farmers Market 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)

	TIF	2018	2017	2016	2015	2014
Revenues:						
Tax increment-Governmental	\$13,148,378	\$2,493,005	\$1,896,170	\$1,251,470	\$991,485	\$756,083
Interest income	\$598,105	\$19,628	\$15,854	\$12,325	\$11,932	\$19,793
Other revenue-developer reimbursement savings	\$217,974	\$0	\$0	\$0	\$0	\$0
Proceeds from sale of land	\$433,711	\$0	\$0	\$0	\$0	\$0
Net increase in fair value of investments	(\$17,431)	(\$3,667)	(\$4,620)	(\$2,398)	\$5,778	(\$4,001)
Total revenues	\$14,380,738	\$2,508,966	\$1,907,404	\$1,261,397	\$1,009,194	\$771,875
Expenditures:						
Administrative expenses	\$854,839	\$40,525	\$57,974	\$39,037	\$75,836	\$78,056
Non-Capital outlay	\$659,565	\$344	\$0	\$48,176	\$139,020	\$108
Capital outlay	\$15,574,686	\$2,117,085	\$2,906,267	\$360,551	\$1,664,652	\$3,004,700
Debt service payment-Principal	\$432,967	\$0	\$0	\$0	\$0	\$0
Interest and fiscal charges	\$1,058,458	\$0	\$0	\$0	\$0	\$0
Total expenditures	\$18,580,515	\$2,157,954	\$2,964,241	\$447,764	\$1,879,508	\$3,082,865
Excess (Deficiency) of Revenues over Expenditures	(\$4,199,777)	\$351,011	(\$1,056,837)	\$813,633	(\$870,314)	(\$2,310,990)
Fund balance (Deficit) at beginning of year as previously reported						
	\$0	(\$3,587,932)	(\$2,531,094)	(\$3,344,727)	(\$2,474,414)	(\$163,424)
Prior period restatement						
	\$962,857	\$0	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year, as restated	\$962,857	(\$3,587,932)	(\$2,531,094)	(\$3,344,727)	(\$2,474,414)	(\$163,424)
Fund balance (deficit) at end of year	(\$3,236,920)	(\$3,236,920)	(\$3,587,932)	(\$2,531,094)	(\$3,344,727)	(\$2,474,414)

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.

**Farmers Market Tax Increment Financing District
Reinvestment Zone Number Six, City of Dallas, Texas
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:

\$15,961	Interest Income
\$0	Other revenue-developer reimbursement savings
\$0	Proceeds from sale of land
\$2,493,005	Ad Valorem Taxes (Collected in FY'2017-18 based on 2017 Final Tax Roll)
\$2,508,966	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$40,525	Administrative Expense
\$344	Non-Capital outlay - PNV Design studio reimbursement
\$2,117,085	Capital outlay (1)
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
\$2,157,954	Total Expenditures

(1) These expenditures were for the following projects:

	<u>Capital</u>	<u>Non-Capital</u>	<u>Total</u>
Farmers Market Area Redev-Purchase of the Public Parking Garage	\$2,117,085	\$0	\$2,117,085
			\$0
Total	\$2,117,085	\$0	\$2,117,085

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

Farmers Market TIF District has incurred no bonded indebtedness as of September 30, 2018.

b. The Zone has the following contingent obligations reimbursable from available TIF funds as of September 30, 2018 :

<u>Source of Funds</u>	<u>Project</u>	<u>Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Total Due</u>	<u>Payments To Date</u>	<u>Net Balance Due</u>
City of Dallas	Catalyst Infrastructure projects	\$4,491,169	\$6,385,758	\$10,876,927	\$0	\$10,876,927
Camden Realty Trust	Townhomes Phase IIA	\$162,225	\$154,768	\$316,993	\$316,993	\$0
Camden Realty Trust	Townhomes Phase IB	\$742,031	\$244,610	\$986,641	\$986,641	\$0
Cadiz Street Properties	Harlan Building redevelopment	\$649,900	\$51,242	\$701,142	\$701,142	\$0
	Total	\$6,045,325	\$6,836,378	\$12,881,703	\$2,004,776	\$10,876,927

Note: The above developer payments (Camden Realty Trust) have been made. However, the TIF received an advance from the City of Dallas for catalyst infrastructure projects from the 1985 bond funds. Those funds, plus interest, will be paid once developer obligations have been paid.

c. The Zone has entered into a development agreement for each of the following projects and their status is as follows as of September 30, 2018:

Developer	Project Name	Principal TIF Award	Maximum TIF Award	Less Payments		Total P & I Payments	Net Bal. Remaining
				Principal	Accrued Add'l Subsidy (1)		
FM Futsal, Ltd.	Farmers Market Area Redev-Futsal	\$589,888	\$589,888	\$0	\$0	\$0	\$589,888
Taylor Street 2111, LP	Farmers Market Area Redev-2101 & 2111 Taylor St.	\$3,553,480	\$3,553,480	\$0	\$0	\$0	\$3,553,480
Texas IntownHomes LLC	Intown Townhomes	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$3,000,000	\$0
DFM Developer, Ltd.	Farmers Market Area Redev-Phase I	\$1,664,832	\$1,664,832	\$1,664,832	\$0	\$1,664,832	\$0
DFM 1, LLC.	Farmers Market Area Redev-Shed 1	\$300,000	\$300,000	\$300,000	\$0	\$300,000	\$0
DFM 2, LLC.	Farmers Market Area Redev-Shed 2	\$355,477	\$355,477	\$355,477	\$0	\$355,477	\$0
DFM Developer, Ltd.	Farmers Market Area Redev-Sheds 3 & 4 *	\$13,204,350	\$13,204,350	\$4,667,875	\$0	\$4,667,875	\$8,536,475
Total		\$22,668,027	\$22,668,027	\$9,988,184	\$0	\$9,988,184	\$12,679,843

* Reimbursements began in fiscal year 2015 and will continue each year after project completion and upon availability of TIF funds. Principal payments of \$4,667,875 relates to purchase of the public parking garage.

(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	Base Year	Est. Captured
	Value 2018	1996 Value	Value 2018*
City of Dallas	\$409,340,216	\$35,714,091	\$373,626,125
Dallas County	\$409,581,716	\$118,319,554	\$291,262,162

* 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	\$0.69903	\$2,611,758.70
Dallas County	\$0.09724	\$283,223.33
Total for all Jurisdictions		\$2,894,982

B. The total amount of estimated tax increment to be billed for the 2018 tax year is \$2,894,982. For the 2017 tax year, increment in the amount of \$2,493,005 was received.

City of Dallas, Texas
Farmers Market 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 \$1,112,684 (in current \$) of the TIF to reimburse the City for administrative costs. The City began billing the Zone for administrative costs in FY'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. The Zone has received advances from City of Dallas to fund improvements that have been made by the Department of Public Works and Transportation. The City used the funds from the 1985 bond program that were allocated to fund these public improvements in the TIF district. Funds advanced by the City, which bear interest from the date of advance, include the following:
 - \$1,791,030 advance as of March 11, 1999 bears interest at 5.20% compounded annually;
 - \$1,995,017 advance as of September 25, 2000 bears interest at 5.20% compounded annually;
 - \$478,886 advance as of October 01, 2001 bears interest at 5.20% compounded annually; and
 - \$226,237 advance as of September 25, 2002 bears interest at 5.20% compounded annually; and
6. All project costs resulting in capital improvements that are owned by the City of Dallas are capitalized.

Appendix B – Project Payback Assumptions

FY	Net Available for Reimbursement	Harvest Lofts	Taylor Building	Futsal	TIF Advance of Bond Funds	Total Payments	Net Available Funds
2018	\$2,511,769	\$2,511,769				\$2,511,769	\$0
2019	\$2,593,126	\$2,593,126				\$2,593,126	\$0
2020	\$2,426,803	\$2,426,803				\$2,426,803	\$0
2021	\$2,626,534	\$2,626,534				\$2,626,534	\$0
2022	\$2,670,106	\$995,328	\$1,674,778			\$2,670,106	\$0
2023	\$2,714,332		\$1,878,702	\$589,888	\$245,742	\$2,714,332	\$0
2024	\$2,759,222				\$2,759,222	\$2,759,222	\$0
2025	\$2,804,784				\$2,804,784	\$2,804,784	\$0
2026	\$2,851,031				\$2,851,031	\$2,851,031	\$0
2027	\$2,897,971				\$2,897,971	\$2,897,971	\$0
2028	\$2,945,615				\$2,945,615	\$2,945,615	\$0
	\$29,801,291	\$11,153,559	\$3,553,480	\$589,888	\$14,504,364	\$29,801,291	\$0

* Year funds are disbursed (tax increment from previous year)

Estimated Payback Schedule is based on the following assumptions:

1. Increment is produced as estimated
2. Projects are complete and developer obligations are met
3. District Set-Aside (5% of Annual Increment) and Administration Costs are funded prior to funding developer projects (Net Available for Reimbursement)
4. A portion of Harvest Lofts payments were made in 2017 (\$2,550,791); Total TIF funding is in the amount of \$13,704,350
5. All approved TIF District current TIF funding obligations are due to the same developer for Phase II components of the FM Redevelopment Project
6. Payback based on assumption that no other projects receive TIF funds (distribution would be per Increment Allocation Policy)
7. Current projections show that full Plan Budget amount is not collected
8. TIF Advance of Bond Fund Payments is an estimate (interest owed)