

190367

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 Nine ("Vickery Meadow TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Vickery Meadow area pursuant to Ordinance No. 25964, authorized by the City Council on April 27, 2005, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, on December 14, 2005, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Vickery Meadow TIF District by Resolution No. 05-3542; Ordinance No. 26181, 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 13, 2018, the Vickery Meadow TIF District Board of Directors passed a motion accepting the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Nine and recommended approval of same by the City Council.

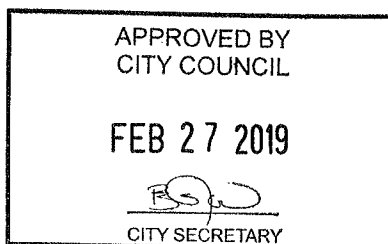
Now, Therefore,

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

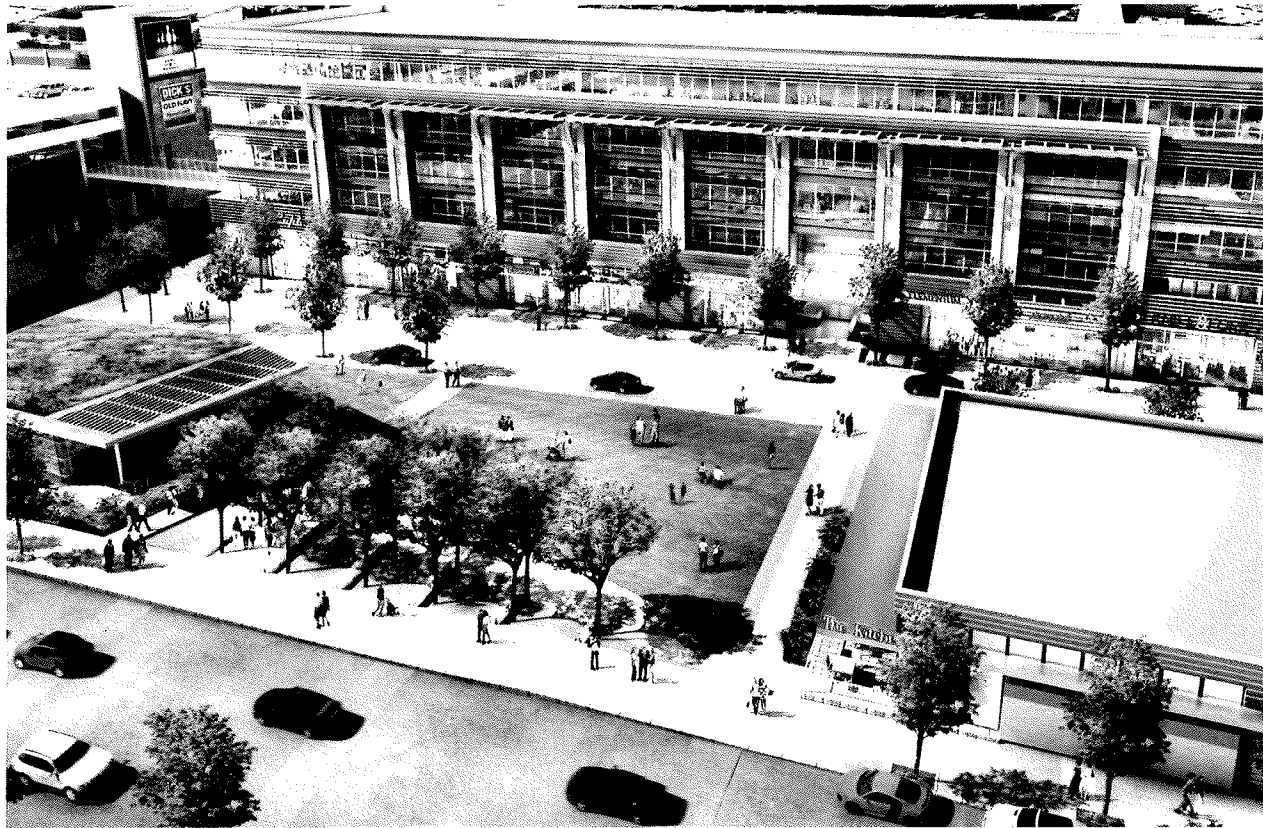
SECTION 1. That the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Nine (Vickery Meadow TIF District), City of Dallas, Texas, as of September 30, 2018, a copy of which is attached hereto (**Exhibit A**), is hereby accepted.

SECTION 2. That the City Manager is hereby authorized to submit the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Nine, 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.



Vickery Meadow TIF District FY 2017-2018 Annual Report



(Source: Northwood Retail, LLC)



City of Dallas

Office of Economic Development
1500 Marilla Street, 2CN
Dallas, Texas 75201
(214) 670-1690

http://www.dallas-ecodev.org/area_redevelopment.html/

October 1, 2017 to September 30, 2018

Reinvestment Zone Number Nine Vickery Meadow Tax Increment Financing District

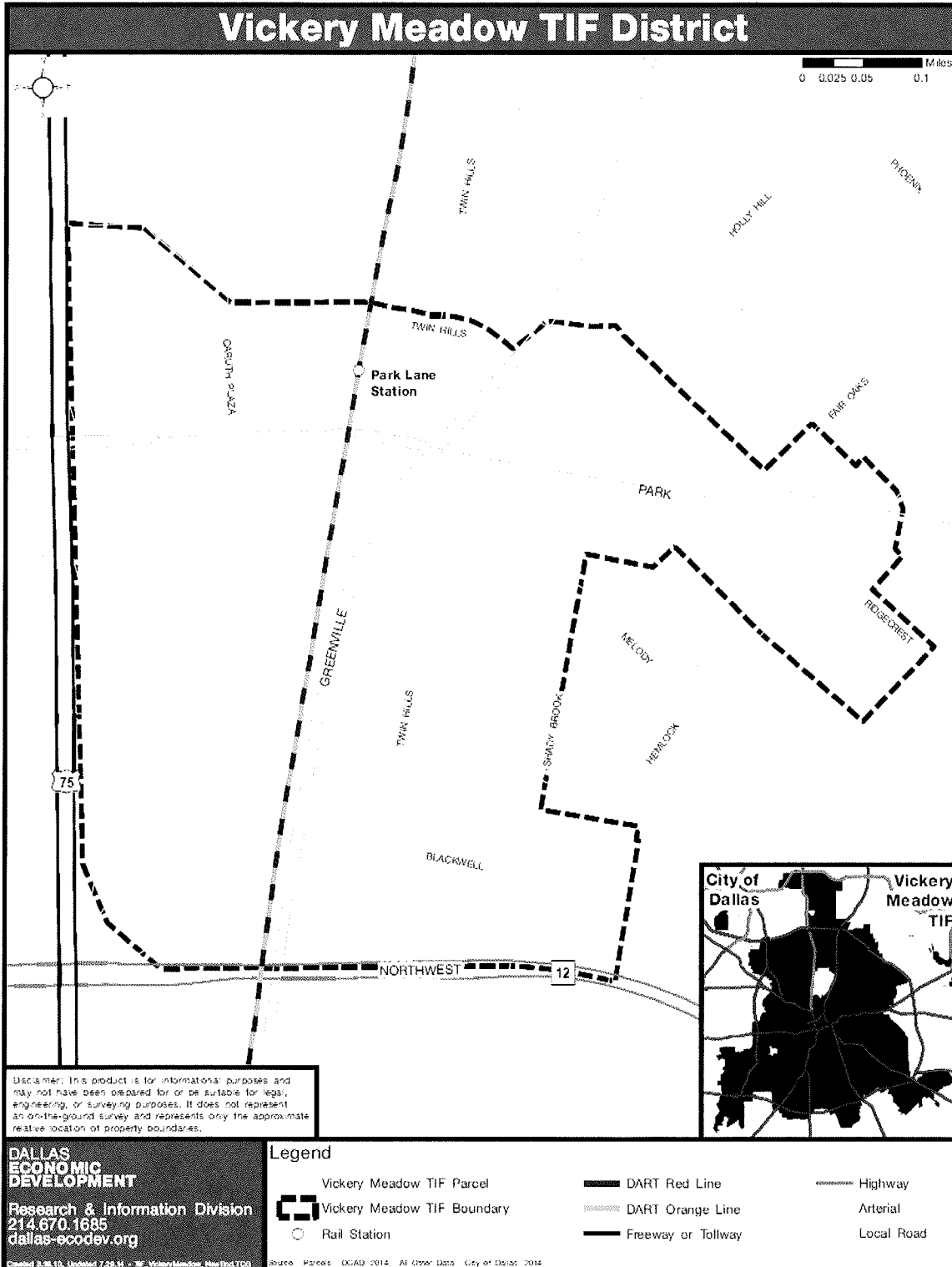


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Mission Statement

The Vickery Meadow Tax Increment Financing (TIF) District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping urban corridors to take full advantage of the expanding DART light rail system, to promote transit-oriented development and to implement appropriate urban design standards. The mission of the Vickery Meadow TIF District is to provide a source of funding to enhance private investment in the real estate market for the Vickery Meadow TIF District area.

The Dallas City Council established the Vickery Meadow TIF District by Ordinance Number 25964 on April 27, 2005. The Vickery Meadow TIF District took effect on January 1, 2006 and will terminate on December 31, 2027 (including collection of the 2027 increment in calendar year 2028 and any related matters to be concluded in 2028) or when the budget of \$33.4 million (2006 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City's participation is 80%, and the County's participation is 55% of taxes generated by the properties within the District by the respective taxing jurisdictions.

District Accomplishments

The District was established to facilitate the creation of a catalyst mixed-use development on North Central Expressway and Park Lane (The Shops at Park Lane) and to, ultimately, stimulate redevelopment activities within the District's remaining areas, including the area generally known as "Five Points" (located generally around the intersection of Park Lane, Ridgecrest Road and Fair Oaks Avenue).





In September 2017, Northwood announced plans for the construction of an 11-story, 340,000 square foot office tower located at 8010 Park Lane (north of the community park). This development will include ground floor retail space in addition to the office space.



Additionally, the first phase of Half Price Books, Records, Magazines, Inc.'s multi-phase plan to redevelop the former Parker Plaza site was completed in 2015. It included the demolition of two dilapidated structures and the conversion of a vacant warehouse into a REI sporting goods store that contains 34,296 square feet of retail space. Although Half Price Books has not determined when construction on the second phase will commence, the company is marketing the project to include 16,184 square feet of retail/restaurant space and 335 parking spaces just north adjacent to REI.



The REI sporting goods store that was built as part of Half Price Books' multi-phase plan to redevelop the former Parker Plaza site
(Source: Dallas Office of Economic Development)

In Fall 2018, Costco announced plans to renovate the vacant Sam's Club building at 8282 Park Lane. The 133,000 square feet building will be the first North Texas site for Costco's Business Center. Unlike most Costco stores, Costco Business Center is geared towards small business and e-commerce B2B (Business to Business) sales. However, it will be open to anyone with a Costco Membership. Construction will begin in First Quarter 2019 and be ready by Fourth Quarter 2019.

In November 2017, Dallas voters approved as part of the Bond Election, the construction of a new Library in the Vickery Meadow area. Located on Park Lane, on city-owned property, the library is currently under design with construction expected Fourth Quarter 2019 and opening anticipated by late 2020.

Vickery Meadow TIF District Projects¹						
Projects and Potential Projects Within TIF District Utilizing TIF Funding²						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value³	TIF Investment
The Shops at Park Lane" Phase I	8010 Park Lane	Phase I Complete	2009	585 apartment units; 666,524 square feet of retail space; 383,640 square feet of office space; and parking	\$292,971,470 (assessed value)	\$20,000,000 (principal); \$13,000,000 (interest)
Half Price Books Mixed-use Project Phase II	6730 Shady Brook Lane	Planned	TBD	Approximately 6,184 square feet of retail/ 10,000 office space	\$3,100,000 (approximate planned investment)	TBD
Total				585 apartment units; 672,708 square feet of retail/restaurant space; 393,640 square feet of office space; parking	\$292,971,470 (assessed value) \$3,100,000 (approximate planned investment)	\$33,000,000
Projects Within TIF District That Are Not Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value³	TIF Investment
Half Price Books Mixed-use Project Phase I	5929 and 5905 East Northwest Highway	Phase I Complete	2015	Approximately 34,296 square feet of retail space, and Starbucks location	\$8,700,220 (assessed value)	\$0
Costco	8282 Park Lane	Planned	2019	135,780 square feet of retail	\$5,800,000	\$0
Total				170,076 Square Feet of Retail	\$14,500,220	\$0
Total Projects Within TIF District Utilizing and Not Utilizing TIF Funding						
Total (TIF and Non-TIF)					\$310,571,690	\$33,000,000
383,640 square feet Office Space, 700,820 square feet Retail Space, 585 Residential Units Completed					\$301,671,690	\$33,000,000
10,000 square feet Office Space, 141,964 square feet Retail Space Planned					\$8,900,000	\$0
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) 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.						

District Initiatives				
Activity	Scope	Status	Investment	Source
Vickery Meadow Improvement District (VMID) – TREC 2006 Community Grant	The Real Estate Council (TREC) of Dallas awarded a grant to be used to create a Planned Urban Design (Neighborhood Plan) for the Vickery Meadow Community	Organizational stages. James Harwick + Partners, Inc. architectural design firm was hired to complete the plan. The plan was completed in 2009 and was adopted by the VMID Executive Board January 15, 2010.	\$78,000 total Includes: \$50,000 \$28,000	TREC of Dallas VMID funds
The Real Estate Council Foundation, McCormack, Baron Salazar (MBS) – Economic Development Action Plans	The Real Estate Council Foundation and private donations provided financial support to engage McCormack Baron Salazar to develop action plans for economic development in three City Council designated areas: 1. Lancaster Corridor 2. South Dallas/Fair Park 3. Five Points in Vickery Meadow	The Development Action Plans by MBS were released in January 2011.	\$750,000 min Includes: \$275,000 \$275,000 \$200,000	The Real Estate Council Foundation of Dallas MBS Investment Private Donations
HUD Community Challenge Grant for Transit Oriented Development and Affordable Housing	Community Challenge Planning Grant from HUD used for planning and preconstruction activities related to affordable housing and transit-oriented development for 7 DART stations. Completed 5 area plans, including the Vickery Meadow area plan. Also funded preconstruction and design work for a mixed-use development anchored by a new VM branch library.	City Council authorized a professional services contract with Fregonese Associates, Inc. for the related planning activities on December 14, 2011. City Council authorized a professional services contract with DMA Development Company, LLC for the related activities on September 25, 2013	Total federal grant Amount: \$2,225,000/ \$2,670,000 overall Approximately \$950,000 spent in for the Vickery Meadow TIF District including \$445,000 as the local match	\$505,000 HUD Funds \$445,000 TIF Funds
Vickery Community Court Initiative at former Fire Station	6742 Greenville Avenue to repurpose for community court, associated offices, and lease space to serve Vickery Meadow Neighborhood	6,453 sq. ft building for court, law and social service offices. Additional tenant lease space for office use.	TBD	TBD

Value and Increment Summary

The Vickery Meadow TIF District's 2018 assessed taxable value was \$527,139,510. This represents an increase of \$362,360,420 (220%) over the 2005 adjustable base year value and an increase of \$41,448,080 (9%) over the taxable value for 2017. The increase over the previous year's taxable value is largely attributed to appreciation of properties at The Shops at Park Lane and Half Priced Books. With the participation of the City and Dallas County, the increase over the base year value will result in 2018 tax year collection of approximately \$2,728,900 in total incremental revenue for the District.

Objectives, Programs and Success Indicators

The Vickery Meadow Final Project Plan and Reinvestment Zone Financing Plan were approved on December 14, 2005. The plans' development goals are provided below:

- Facilitate private development within the Vickery Meadow TIF District to stimulate and diversify the area's economy, eliminate unemployment or underemployment, and develop or expand business, transportation, and commercial activity.

Approximately \$466 million in private investment is planned as part of full build-out of The Shops at Park Lane. The project is anticipated to create 2,600 new jobs.

- Secure new private development consisting of at least 850,000 square feet of retail space, 200 hotel rooms, 625 residential units (rental and owner occupied), and 410,000 square feet of office space.

The following progress has been made since the District's creation:

- *0 hotel rooms have been built or are planned (0.0% of the goal)*
- *585 residential units have been built offering various types of housing for sale and rental at the Shop of Park Lane. Collectively, this represents 93.6% of the goal.*
- *383,640 square feet of office space has been built and another 10,000 square feet is being planned or converted into office space (6.0% of the goal).*
- *700,000 square feet of retail space has been built and another 141,964 square feet is planned or converted into retail space (99.2% of the goal)*

- Focus on traffic improvements and the redevelopment of properties within the Five-Points area as increment funds accumulate and can be supplemented with non-TIF sources.

Staff is currently working with the Vickery Meadow Public Improvement District (PID) and other stakeholders to address these issues.

- Encourage the redevelopment of the "Park Lane" site and improve pedestrian connections between the existing DART Park Lane light rail station to increase density while providing enhanced urban design for the TIF District.

The following progress has been made since the District's creation:

- *Staff is working with DART and Northwood Retail, LLC to identify potential funding for the construction of a pedestrian platform that would extend from the light rail station to the south side of Park Lane.*
 - *Staff is investigating improved pedestrian connections between Park Lane and NorthPark Center.*
- Generate approximately \$32.2 million (2006 NPV) in increment over a 20-year period (approximately \$52.06M in total collections).

Including the planned FY 2017--2018 collection, the Vickery Meadow TIF District NPV collections are \$13.4 million (41.7% of the goal) and \$17.6 million in total collections (33.7% of the goal).

Year-End Summary of Meetings

The Vickery Meadow TIF Board can consist of up to seven members, including six City of Dallas appointees and one from Dallas County. The board, which met two times during the fiscal year, consisted of the following members:

- Gay W. Donnell – City Representative (attended 0/1 meetings; term limited as of July 1, 2018)
- Brian Driesse – City Representative (attended 2/2 meetings)
- Michon Fulgham – Chair and City Representative (attended 1/1 meetings; term limited as of July 1, 2018)
- Jake Golvach – City Representative (attended 2/2 meetings)
- Douglas J. Lattner – City Representative (attended 1/1 meetings; term limited as of July 1, 2018)
- Rick Loessberg – Dallas County Representative (attended 2/2 meetings)
- Raj Narayanan – City Representative (attended 0/3 meetings; term limited as of July 1, 2016)
- Judson Pankey – City Representative (attended 1/1 meetings; appointed after July 1, 2018)
- Shannon McCord – City Representative (attended 1/1 meetings; appointed after July 1, 2018)
- Aline Catherine Bass – City Representative (attended 1/1 meetings; appointed after July 1, 2018)

The Dallas City Council approved one item during the fiscal year related to the District. The items are summarized below:

On February 28, 2018, City Council approved Resolution Number 18-0354 accepting the FY 2016-2017 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nine, (Vickery Meadow TIF District), submitted by the Vickery Meadow 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

The Vickery Meadow TIF District's pending items include the following:

- Approval of the FY 2017-2018 Annual Report

Budget and Spending Status

The Vickery Meadow TIF District's Project Plan and Reinvestment Zone Financing Plan established a budget for public improvement expenditures that are necessary to support private investment. The District budget and spending to date are provided on the following charts:

Vickery Meadow TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget ¹	Allocated ²	Balance
"Park Lane" Project: Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non-project costs	32,340,165	\$32,340,165	\$0
Five-Points Area Improvements: Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non-project costs	\$16,170,082	\$0	\$16,170,082
Administration and Implementation³	\$3,549,495	\$391,408	\$3,158,087
Total Project Costs	\$52,059,742	\$32,731,573	\$19,328,169
¹ Budget shown above in total dollars; TIF Project Plan shows the budget in net present value. ² Allocated amount includes the total amount of principle and interest estimated to accrue on this project. ³ Administration and Implementation amount shown is through FY 2017-2018 and includes \$50,000 for District audits through 2012 and \$2,500 for consultant fees.			

Vickery Meadow TIF District Project Plan Budget (NPV Values)	
Category	TIF Budget (NPV)*
"Park Lane" Project: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non-project costs	\$20,000,000
Five-Points Area Improvements: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non-project costs	\$10,000,000
Administration and implementation	\$2,195,100
Total	\$32,195,100

* As approved in the Project Plan and Reinvestment Zone Financing Plan in 2006 dollars.
** Budget is for the 20-year term of the District.

Vickery Meadow TIF District M/WBE Participation			
Project	Contractor	Total Contract Award Amount	Percentage Minority Participation
Park Lane (Public Work – goal 25%)	Varies	\$13,624,760	37.85% (\$5,156,683)
Park Lane (Private Shell – goal 5%)	Varies	195,538,520	9.67% (\$18,911,015)
Total		\$209,163,280	11.51% (\$24,067,698)

Vickery Meadow TIF District Affordable Housing Set-aside		
Budget*	Allocated	Balance
\$1,000,000	\$445,000	\$649,097

* Funds deposited in the Vickery Meadow TIF District Tax Increment Fund by Harvest NPE, L.P. to support the development of affordable housing within the District in lieu of the developer constructing affording housing units as part of The Shops at Park Lane Project. The balance includes interest earned since funding was initially set up.

FY 2019 Work Program

The FY 2018-2019 work program for the Vickery Meadow TIF District is as follows:

- Identify additional redevelopment sites, potential developers and continue to seek growth in the District through the attraction of mixed-use, high-density development.
- Provide assistance with the implementation of The Shops at Park Lane development project.
- Work with the DART, Vickery Meadow Public Improvement District and other entities on improvement initiatives for the Vickery Meadow area.
- Investigate additional funding sources for District-wide improvements that include a pedestrian platform that would extend from the Park Lane Light Rail Station across Park Lane.
- Assist with Staff on funding solutions for the Five-Points Intersection redevelopment.

Appendix A – Financials

City of Dallas, Texas
Vickery Meadow 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	\$721,508	\$733,483	\$695,714	\$680,407	\$669,670
Interest receivable	\$7,259	\$1,851	\$963	\$852	\$740
Total assets	\$728,767	\$735,334	\$696,677	\$681,259	\$670,410
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$0	\$13,625	\$13,625	\$13,625	\$13,625
Total liabilities	\$0	\$13,625	\$13,625	\$13,625	\$13,625
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$728,767	\$721,709	\$683,052	\$667,634	\$656,785
Total Liabilities and Fund Equity	\$728,767	\$735,334	\$696,677	\$681,259	\$670,410
	\$0	\$0	\$0	\$0	\$0

City of Dallas, Texas
Vickery Meadow 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
Revenues:						
Tax increment-Governmental	\$12,331,133	\$2,003,520	\$1,636,005	\$1,441,253	\$1,199,674	\$1,211,882
Tax increment-Intergovernmental	\$2,535,162	\$429,438	\$344,735	\$302,329	\$237,223	\$246,736
Interest income	\$130,183	\$26,381	\$9,559	\$8,449	\$4,862	\$3,470
Affordable housing payment	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	(\$12,630)	(\$11,348)	(\$2,278)	(\$477)	\$1,539	(\$639)
Total revenues	\$15,983,847	\$2,447,991	\$1,988,021	\$1,751,553	\$1,443,298	\$1,461,449
Expenditures:						
Administrative expenses	\$391,408	\$35,014	\$41,820	\$20,535	\$38,249	\$43,184
Non-Capital Outlay	\$521,264	\$1,919	\$1,544	\$8,600	\$10,200	\$445,000
Capital outlay	\$0	\$0	\$0	\$0	\$0	\$0
Principal retirement	\$4,767,988	\$1,394,298	\$1,025,351	\$784,623	\$404,412	\$485,793
Interest and fiscal charges	\$9,574,421	\$1,009,702	\$880,649	\$922,377	\$979,588	\$964,207
Total expenditures	\$15,255,080	\$2,440,933	\$1,949,364	\$1,736,135	\$1,432,449	\$1,938,184
Excess (Deficiency) of Revenues over Expenditures	\$728,767	\$7,058	\$38,657	\$15,418	\$10,849	(\$476,735)
Fund balance (Deficit) at beginning of year						
as previously reported	\$0	\$721,709	\$683,052	\$667,634	\$656,785	\$1,133,520
Fund balance (Deficit) at beginning of year, as restated						
	\$0	\$721,709	\$683,052	\$667,634	\$656,785	\$1,133,520
Fund balance (deficit) at end of year	\$728,767	\$728,767	\$721,709	\$683,052	\$667,634	\$656,785

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
Vickery Meadow Tax Increment Financing District
Reinvestment Zone Number Nine
As of September 30, 2018**

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

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

\$15,034	Interest Income
\$0	Affordable housing payment
<u>\$2,432,958</u>	Ad Valorem Taxes (Collected in FY'2017-18 based on 2017 Final Tax Roll)
<u>\$2,447,991</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$35,014	Administrative Expense
\$1,919	Non-Capital Outlay (1)
\$1,394,298	Principal retirement (1)
<u>\$1,009,702</u>	Additional Subsidy in Form of Grant (in lieu of interest expense) (1)
<u>\$2,440,933</u>	Total Expenditures

(1) These expenditures were incurred for the following services:

Prof.service fees	\$228
PNV design studio cost reimbursement to general fund	\$1,692
Principal pymt for FY'18 - Park Lane Project	\$1,394,298
Interest expense pymt for FY'18 - Park Lane Project	\$1,009,702
Total	<u>\$2,405,919</u>

3. The Zone began reimbursing the General Fund for administrative costs in fiscal year 2009-10.

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

Vickery Meadow TIF District has incurred no bonded indebtedness as of September 30, 2018.

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

<u>Developer</u>	<u>Project</u>	<u>Advance Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Less Payments</u>	<u>Total Outstanding</u>
Northwood PL Holdings, LLC	The Shops at Park Lane	\$20,000,000	\$9,635,495	(\$14,342,410)	\$15,293,086
Total		<u>\$20,000,000</u>	<u>\$9,635,495</u>	<u>(\$14,342,410)</u>	<u>\$15,293,086</u>

Reimbursement of the project's outstanding TIF-eligible project costs are subject to the availability of TIF funds.

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

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

<u>Taxing Jurisdiction</u>	<u>Taxable Value 2018*</u>	<u>Base Year 2005 Value</u>	<u>Est. Captured Value 2018*</u>
City of Dallas	\$527,139,510	\$164,779,090	\$362,360,420
Dallas County	\$527,139,510	\$170,131,750	\$357,007,760

*2018 Taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.

**Based on DCAD Certified Taxable Value. The final values will be determined on February 01, 2019.

6. 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	0.62136	\$2,251,563
Dallas County	0.13371	\$477,337
Total for all Jurisdictions	\$0.75507	\$2,728,900

***Participation rates for City of Dallas and Dallas County are 80% and 55% respectively for tax years 2008 - 2027.

B. The total amount of estimated tax increment to be billed for the 2018 tax year is \$2,728,900. For the 2017 tax year, increment in the amount of \$2,432,958 was received.

Financial Notes

City of Dallas, Texas
Vickery Meadow Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2018

1. The measurement focus used for the TIF Zone fund is a flow of financial resources. The financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, tax increment revenues and interest are recognized as revenue when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.
2. The TIF's cash balances are invested in the City's investment pool and include amounts in demand deposits as well as short-term investments. Pooled investments and short-term non-pooled investments are treated as cash equivalents. Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.
3. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
4. The Zone's Financial Plan permits expenditures not to exceed \$2,195,100 over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the general fund in fiscal year 2009-10. 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 TIF entered into a development agreement with a developer on December 14, 2005 to reimburse the developer for TIF eligible costs up to principal amount of \$20.0 million plus accrued interest thereon, at an interest rate of 4.86%, for the construction of the Park Lane Project. The developer satisfied all contingencies as required by the terms of the agreement and the liability for the principal amount of \$20.0 million plus the accrued interest was recorded in fiscal year 2008-09. The TIF began reimbursing the developer in fiscal year 2009-10. The developer obligation balance, including principal and accrued interest, outstanding at September 30, 2018 is \$15,293,086.
6. 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 Shops at Park Lane project is the only outstanding developer obligation. The net obligation is estimated to be reimbursed in 2018 with available funds once the project has submitted all required documentation. All available funds each year are allocated to the project.

Vickery Meadow TIF District Obligations		
Project Obligations	Balance	Projected Year Payoff
Shops at Park Lane	\$15,232,012.26	2026
<i>Projects must meet all provisions of executed Development Agreements prior to reimbursement.</i>		

Appendix C – District-wide Set Aside Funds

The Vickery Meadow TIF District has as of September 30, 2018 has a balance of \$649,097.04 available for affordable housing projects in the district.