

190369

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 Eleven ("Downtown Connection TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Downtown Connection area pursuant to Ordinance No. 26020, authorized by the City Council on June 8, 2005, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

**WHEREAS**, on August 29, 2005, City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Downtown Connection TIF District by Resolution No. 05-2544; Ordinance No. 26096, 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 Downtown Connection TIF District Board of Directors passed a motion accepting the FY 2017-2018 Annual Report for Tax Increment Financing Reinvestment Zone Number Eleven and recommended approval of same by the City Council.

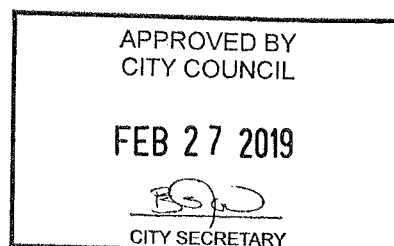
**Now, Therefore,**

**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 Eleven (Downtown Connection 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 Eleven, 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.



**Downtown Connection TIF District  
FY 2017-2018 Annual Report**



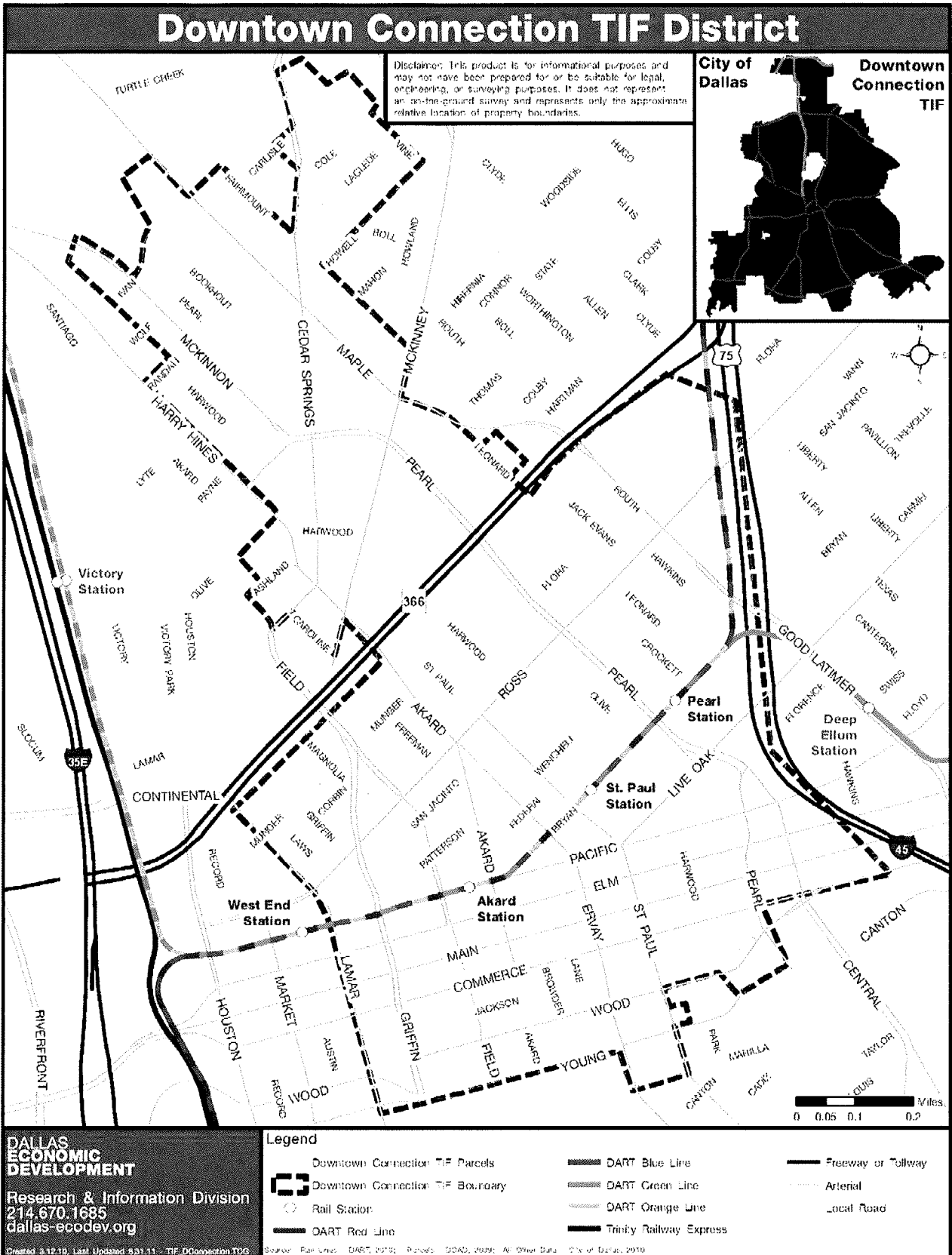
*Photo Source: PetroCorrigan Towers, L.P.*



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

# Map of Reinvestment Zone Number Eleven



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## Mission Statement

The mission of the Downtown Connection Tax Increment Financing District is to create a fund for public capital improvements in the core of Downtown essential for development of key spaces and buildings as well as focusing on catalyst projects to create a greater density and critical mass of development within the Main Street core area.

The Downtown Connection TIF District was initiated by petition, pursuant to Section 311.005 (a)(5), Texas Tax Code through the sponsorship of the Downtown Improvement District and the Uptown Improvement District. The Downtown Connection TIF District took effect on June 8, 2005, per Ordinance No. 26020 and is scheduled to terminate on December 31, 2035 (including collections of the 2035 increment in calendar year 2036 or when the budget of \$231.6 million (2006 dollars) has been collected.

## District Accomplishments

### TIF Funded Projects Completed During FY 2018

**Statler/Library.** Project construction began in 2014 and completed this fiscal year.



Statler Residences (219 units) opened in May of 2017. The Statler Hotel (161 hotel rooms) opened October 17, 2017 along with Overeasy, a diner that faces Commerce Street, and Bourbon and Banter, a speakeasy in the basement of the hotel. Other retail/restaurant venues (Fine China and Scout) located on the ground floor of the Statler building opened in 2018. Old



Dallas Library, the new home of the Dallas Morning News, completed construction December 2017. The Developer's total investment is in excess of \$250M, surpassing the required minimum investment of \$175M.

**Tower Petroleum and Corrigan Tower Buildings.** The project, consisting of a phased

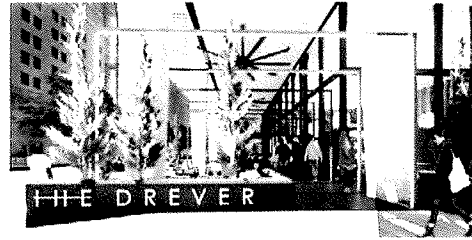
conversion of two vacant office buildings, completed construction during the fiscal year. The Tower Petroleum building was converted into the Cambria Hotel with 150 guestrooms and a ground level restaurant. The Corrigan Tower was converted to 1900 Pacific Residences containing 150 residential units and is currently 93% leased.



### TIF Funded Projects Continuing Construction During FY 2018

#### ***The Drever – 1401 Elm Street.***

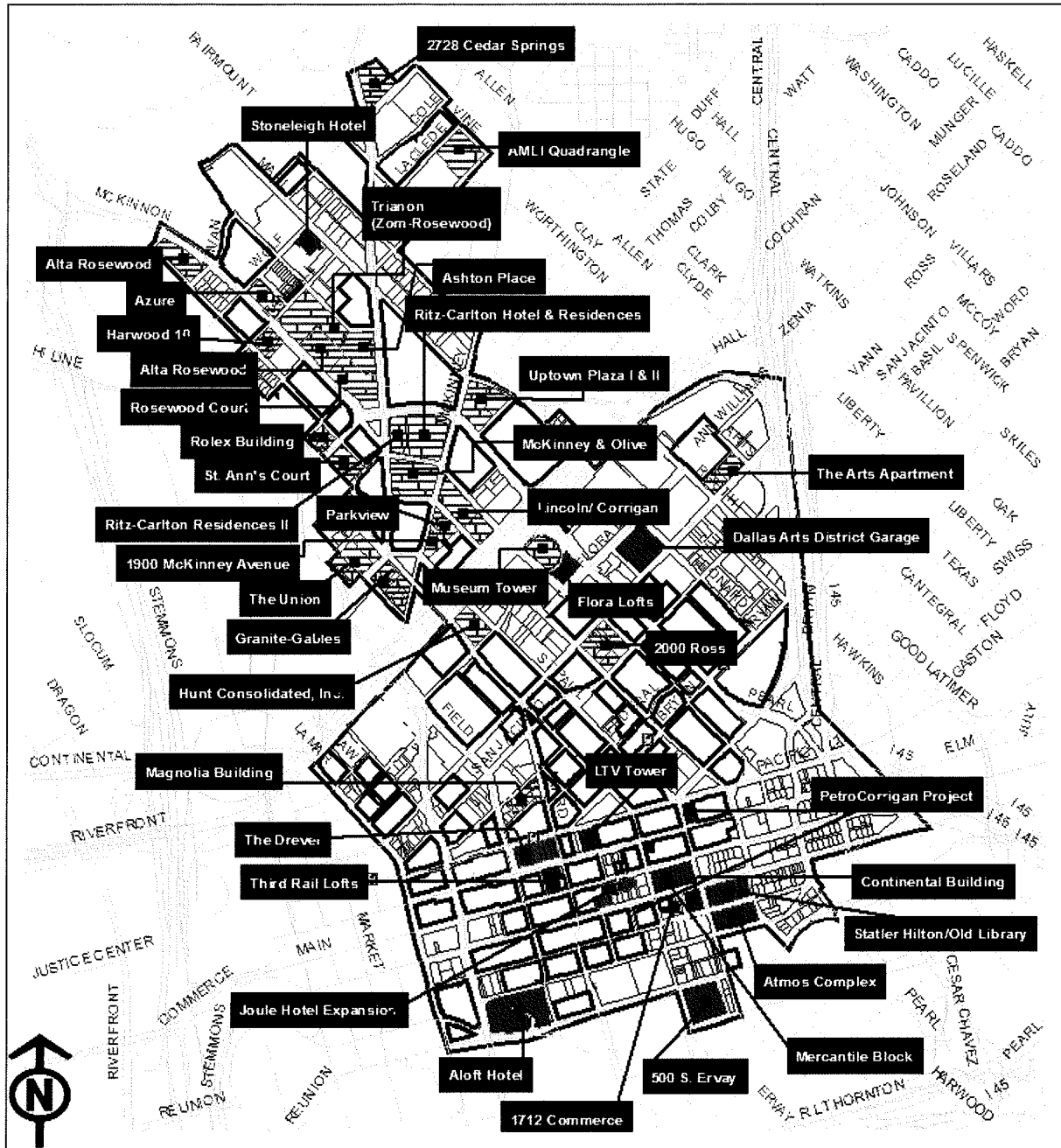
The project continued construction during the fiscal year. In September 2018, the project's completion deadline was extended to December 2020. Thompson Hotels will manage the hotel portion of the project. Upon completion, the project will provide approximately 324 residential units, 208 hotel rooms, 23,000 square feet of ground floor and upper level retail/restuarant space and 35,000 square feet of office space. The total project cost for the project is now approximately \$400M.



**1712 Commerce.** Conversion of a vacant office building and adjoining surface parking lot into 244 hotel rooms (121 room Residence Inn and 123 room AC Hotel by Marriott) and approximately 16,428 square feet of ground floor retail space. The dual-branded hotel portion of the project completed construction and opened October 12, 2017 as an AC Hotel and Residence Inn by Marriott. Construction of the adjoining 360 space parking garage servicing the hotels continued construction during the fiscal year. A major fire occurred within the parking garage, delaying completion until the third quarter of 2019. The total project cost is \$54.8M.



# Map of Projects within the Downtown Connection TIF District



## Downtown Connection TIF District Project Location Map

### Legend

- TIF Funded Projects
- Non-TIF Funded Projects
- Downtown Connection TIF Boundary



**City of Dallas**  
 Office of Economic Development  
 December 2016

Source: Economic Development Department/Area Redevelopment Division

**Downtown Connection TIF District Projects<sup>1</sup>**  
**Projects Within TIF District Utilizing TIF Funding**

Project	Location	Calendar Yr Complete	Status	Units/ SF <sup>2</sup>	Approx. Value <sup>3</sup>	TIF Investment <sup>4</sup>
Stoneleigh Hotel	2927 Maple	1 <sup>st</sup> Quarter 2008	Completed	17 additional hotel rooms	\$28,349,810	\$2,500,000
Mercantile Block	1800 Main Street 1808 Main Street	4 <sup>th</sup> Quarter 2008	Completed	366 res. units; 33,770 sf retail	\$69,350,000	\$58,000,000
Santa Fe Lofts IV (Aloft Hotel)	1033 Young Street	4 <sup>th</sup> Quarter 2009	Completed	193 hotel rooms	\$13,104,680	\$3,734,419
Dallas Arts District Garage	2301 Ross Avenue	1 <sup>st</sup> Quarter 2010	Completed	garage renovations/updates	\$10,502,490	\$1,078,635
Continental Building	1810 Commerce Street	1 <sup>st</sup> Quarter 2013	Completed	203 res. units; 5,871 sf retail	\$23,694,930	\$20,167,440
Lone Star Gas Lofts Phase I	300 S. St. Paul Street	1 <sup>st</sup> Quarter 2013	Completed	107 res. units	\$2,675,000	\$4,256,965
Joule Hotel Expansion	Main and Commerce Streets	4 <sup>th</sup> Quarter 2013	Completed	32 hotel rooms; 24,700 sf retail; 9,221 sf office	\$11,657,310	\$23,852,953
Lone Star Gas Lofts Phase II	301 S. Harwood Street	4 <sup>th</sup> Quarter 2014	Completed	123 res. units; 9,500 sf retail	\$3,918,080	\$13,636,558
Hall Arts Center	2323 Ross Avenue	4 <sup>th</sup> Quarter 2015	Completed	430,000 sf office; 30,000 sf retail	\$135,210,000	\$6,774,128
LTV Tower	1600 Pacific Avenue	4 <sup>th</sup> Quarter 2015	Completed	171 hotel rooms; 186 res. units	\$48,133,060	\$26,730,391
Mayflower Building	411 N. Akard Street	3 <sup>rd</sup> Quarter 2017	Completed	215 res units; 13,700 sf retail	\$52,934,700	\$10,000,000
Statler/Library	1914 & 1954 Commerce	1 <sup>st</sup> Quarter 2018	Completed	219 res units; 161 hotel rooms; 60,000 sf retail 88,000 sf office	\$90,931,000	\$46,500,000
Tower Petroleum Cambria Hotel	1907 Elm Street	2 <sup>nd</sup> Quarter 2018	Completed	150 hotel rooms; 6,174 sf retail	\$20,000,000	\$10,300,000
Corrigan Tower 1900 Pacific Res	1900 Pacific Avenue	1 <sup>st</sup> Quarter 2018	Completed	150 res units	\$23,000,000	\$9,700,000
1712 Commerce	1712 Commerce Street	1 <sup>st</sup> Quarter 2018	Under Construction	244 hotel rooms; 16,428 sf retail	\$52,934,700	\$10,500,000
The Drever	1401 Elm Street	4 <sup>th</sup> Quarter 2019	Under Construction	324 res units; 23K sf retail; 36K sf office; 218 hotel rooms	\$150,000,000	\$50,000,000
				1,893 res. units; 1,186 hotel rooms; 223,631 sf retail; 562,969 sf office	\$736,395,760	\$297,731,489
<b>Subtotal</b>						

**Projects Within TIF District Not Utilizing TIF Funding<sup>5</sup>**

Project	Location	Calendar Yr Complete	Status	Units/ SF	Approx. Value	Non- TIF Incentives
Ashton	2215 Cedar Springs Road	2006	Completed	267 res. units	\$105,465,000	\$0
Trianon (Zom/Rosewood)	2820 McKinnon Street	3 <sup>rd</sup> Quarter 2006	Completed	317 res. units	\$73,347,000	\$0
Uptown Plaza Shopping I	2222 McKinney Avenue	3 <sup>rd</sup> Quarter 2006	Completed	84,000 sf retail	\$16,200,000	\$0
Hunt Consolidated	1900 Akard Street	2 <sup>nd</sup> Quarter 2007	Completed	400,000 sf office	\$62,626,800	\$6,300,000
Ritz-Carlton Hotel & Condos	2510 Cedar Springs	2 <sup>nd</sup> Quarter 2007	Completed	71 res. units; 218 hotel rooms	\$214,410,160	\$0
Third Rail Lofts (1414 Elm portion)	1414 Elm Street	3 <sup>rd</sup> Quarter 2007	Completed	14 res. units; 3,500 sf retail	\$3,158,500	\$1,800,000
Azure	2900 McKinnon Street	2 <sup>nd</sup> Quarter 2008	Completed	154 res. units	\$138,811,670	\$0
1900 McKinney (Hanover)	1900 McKinney Avenue	4 <sup>th</sup> Quarter 2008	Completed	230 res. units	\$92,000,000	\$0
Rosewood Court	2101 Cedar Springs Road	2 <sup>nd</sup> Quarter 2009	Completed	400,000 sf office; 12,000 sf retail	\$142,700,000	\$0



Exhibit A  
Downtown Connection TIF District

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FY 2017-2018 Annual Report

Alta Rosewood	2728 McKinnon Street	4 <sup>th</sup> Quarter 2008	Completed	375 res. units	\$108,000,000	\$0	
AML/ Quadrangle	2717 Howell Street	4 <sup>th</sup> Quarter 2008	Completed	220 res. units; 14,800 sf retail	\$45,900,000	\$0	
2000 McKinney	2000 McKinney Avenue	2 <sup>nd</sup> Quarter 2009	Completed	15 res. units; 445,000 sf office; 6,500 sf retail	\$172,000,000	\$0	
Ritz-Carlton Residences II	2555 Pearl Street 2400 Olive Street	4 <sup>th</sup> Quarter 2009	Completed	92 res. units	\$160,948,450	\$0	
St. Ann's Court	2501 Harwood Street	1 <sup>st</sup> Quarter 2010	Completed	320,000 sf office	\$107,025,000	\$0	
Granite/Gables	1717 McKinney Avenue; 1700 Cedar Springs	2 <sup>nd</sup> Quarter 2010	Completed	296 res. units; 382,980 sf office; 14,091 retail	\$187,882,000	\$0	
CityWalk	511 N. Akard Street	4 <sup>th</sup> Quarter 2009	Completed	209 res. units	\$9,129,760	\$11,000,000	
The Arts Apartment by JPI	2611 Ross Avenue	3 <sup>rd</sup> Quarter 2010	Completed	228 res. units	\$40,000,000	\$0	
Museum Tower	1918 Olive Street	4 <sup>th</sup> Quarter 2012	Completed	115 res. units	\$226,820,280	\$0	
Residences at Stoneleigh	2919 Maple Avenue	4 <sup>th</sup> Quarter 2014	Completed	76 res. units	\$141,964,180	\$0	
The Brady	2728 Cedar Springs Road	1 <sup>st</sup> Quarter 2015	Completed	299 res. units	\$109,000,000	\$0	
McKinney & Olive	2021 McKinney Avenue	4 <sup>th</sup> Quarter 2015	Completed	480,000 sf office; 50,000 sf retail	\$206,150,000	\$0	
Uptown Plaza II	2212 McKinney Avenue	1 <sup>st</sup> Quarter 2016	Completed	203 res. units	\$72,080,000	\$0	
Forty Five Ten	1615 Main Street	4 <sup>th</sup> Quarter 2016	Completed	37,000 sf retail	\$7,000,000	\$0	
Rolex Building	2651 N. Harwood Street	1 <sup>st</sup> Quarter 2017	Completed	136,857 sf office	\$20,915,000	\$0	
Parkview	1920 McKinney Avenue	1 <sup>st</sup> Quarter 2017	Completed	150,000 sf office; 8,500 sf retail	\$43,000,000	\$0	
Blue Ciel	3130 N. Harwood Street	3 <sup>rd</sup> Quarter 2017	Completed	158 res. units; 12,000 sf retail	\$45,809,880	\$0	
500 S. Ervay	500 S. Ervay	2 <sup>nd</sup> Quarter 2018	Completed	274 hotel rooms; 238 res. units; 29,400 sf retail	\$49,313,120	\$0	
Park District	2121 N. Pearl Street	2 <sup>nd</sup> Quarter 2018	Completed	228 res. units; 500,000 sf office; 20,000 sf retail	\$110,729,000	\$0	
The Union	Field Street and Cedar Springs Road	4 <sup>th</sup> Quarter 2018	Under Construction	309 res units; 417,000 sf office; 87,000 sf retail	\$300,000,000	\$0	
2000 Ross Avenue	2000 Ross Avenue	4 <sup>th</sup> Quarter 2018	Under Construction	200 hotel rooms; 400 res units; 26,000 sf retail	\$58,000,000	\$0	
Harwood No. 10	Harwood and Randall Streets	4 <sup>th</sup> Quarter 2018	Under Construction	220,548 sf office; 14,000 sf retail	TBD	\$0	
Amli Residential Tower	1800 Field Street	2 <sup>nd</sup> Quarter 2019	Under Construction	367 res units	\$150,000,000	\$0	
Hall Arts Residential & Hotel	2318 Ross Avenue	2 <sup>nd</sup> Quarter 2019	Under Construction	183 hotel rooms; 44 res units	\$250,000,000	\$0	
				4,925 res. units; 692 hotel rooms; 418,791 sf retail;	\$3,470,385,800	\$19,100,000	
			<b>Subtotal</b>	3,715,528 sf office			
<b>Projects Utilizing and Not Utilizing TIF Funding</b>							
				6,818 res. units; 1,878 hotel rooms; 642,422 sf retail;	\$4,206,781,560	\$316,831,489	
			<b>Total</b>	4,278,457 sf office			

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

<sup>2</sup> Based upon either TIF application or required minimum stated in development agreement. 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 and/or the demolition of structures is netted out.

<sup>4</sup> Principal amounts not to be exceeded per the development agreement.

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

<sup>6</sup> Tax-exempt properties

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

## Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. Accordingly, ten percent (10%) of all housing units in projects using direct, site-specific TIF funding assistance from the District are subject to the City's and County's established criteria for mixed income housing. In this District a total of 1,893 units have been built to date and 342 (18%) have been set-aside as affordable.

## Value and Increment Revenue Summary

The base value of the zone is the total appraised value of all taxable real property in the District as determined by the 2005 certified Dallas Central Appraisal District tax roll, with adjustments made to accommodate boundary amendments. The Downtown Connection TIF District's adjusted base value for the District is \$564,917,317. The Downtown Connection TIF District's 2018 assessed tax value was \$4,337,564,486. This represents an increase of \$3,772,647,169 (667.8%) over the adjusted base year value.

The district's value increased by \$774,915,834 (21.8%) from the previous year. This increase will result in an estimated collection of approximately \$31,435,551 (City \$26,371,936; County \$5,063,615) in incremental revenue for the Downtown Connection TIF District.

## Development Goals and Objectives

The final Downtown Connection Project Plan and Reinvestment Zone Financing Plan was adopted in late 2005, as amended. The following objectives and action items set the framework for the planned improvements within the Downtown Connection TIF District:

- Improve access between and within the Uptown and Downtown areas

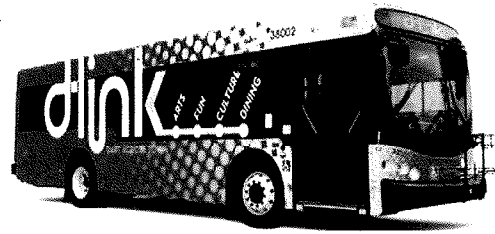
*Construction of Klyde Warren Park, a deck park spanning Woodall Rodgers Freeway, connecting Downtown to Uptown, celebrated its grand opening October 2012. The park's restaurant Savor opened in 2013.*

*In July of 2010, the McKinney Avenue Transit Authority received a \$4.9 million grant from the Federal Transit Administration and matching grant of \$5 million from the North Central Texas Council of Government to complete the M-Line loop that branches off McKinney Avenue at Olive Street. Construction of the Olive/St. Paul Street Loop began in 2012, with completion in 2015. The line improves connectivity between Uptown, Downtown, Klyde Warren Park, the Arts District and DART downtown transit mall.*

*In 2009, the North Central Texas Council of Governments (NCTCOG) Regional Transportation Council (RTC) issued its third Sustainable Development Program call for projects. The Sustainable Development Program provides funding of infrastructure improvements associated with development projects that reduce the overall demand for transportation infrastructure and improve air quality. Two Downtown Connection TIF District projects were awarded funds under this program to enhance pedestrian and transportation linkages, access and safety to nearby bus/rail transit and City of Dallas public investments. City Council approved agreements between the City, NCTCOG, State of Texas and the project's developer for each project. Lone Star Gas Lofts completed construction of the project summer 2013, while construction of the Continental project completed in 2014.*

- Continental Building Project – \$607,739
- Lone Star Gas Lofts Project – \$462,686

*The creation of a circulator system for the downtown area was recommended by the Downtown Dallas 360 Area Plan. September 2013, City Council approved funding to participate in a two-year pilot program D-Link, a special service from DART that provides residents, workers and visitors a way to get to some of the city's most popular*



*arts, dining and historic destinations. The free bus route includes destinations such as American Airlines Center, Klyde Warren Park, the Perot Museum of Nature and Science, The Sixth Floor Museum, Dallas Arts District and many other cultural, arts and entertainment-related stops.*

*The cost of the service for 2018 is approximately \$1.1 million. DART, Downtown Dallas Inc. and the City of Dallas share the costs of the program annually. On October 25, 2017, City Council authorized a funding agreement for 2018's service.*

- Improve the image of the Downtown Connection Area

*With the installation of numerous high-tech digital (video) sign boards within the Main Street core, continued redevelopment of vacant buildings, and completion and programming of the various downtown parks, activity downtown has increased dramatically.*

*Major corporate relocations to the downtown connection area over the years have included Moneygram International, AT&T and Comerica Bank. In 2014, three corporations relocated to buildings in the downtown core (Santander*

*Consumer USA, Inc., Active Network, LLC and Omnitrac, LLC), adding over 2,000 people to downtown's daytime population.*

*In 2017, AT&T committed to investing in their global headquarters in downtown Dallas. The AT&T Discovery District project includes private investment of approximately \$30 million in street and plaza improvements surrounding its complex of buildings. Private investment associated with building enhancements is estimated to be \$100 million.*

*The increased downtown daytime population, residency and activities for residents and visitors have added to the evolving image of the area.*

- Support redevelopment of the existing building supply

*There were not any new development projects approved during the fiscal year within the Downtown Connection TIF District, but two previously approved projects completed construction and two projects continued construction.*

- Develop a more diverse mixture of land uses within the Downtown Connection Area

*Projects announced, completed and/or underway within the District will contribute approximately 6,818 residential units; 1,878 hotel rooms; 642,422 square feet of retail; and 4,278,457 square feet of new office space.*

- Increase open space and recreational opportunities in the Downtown Connection Area

*The original Downtown Parks Master Plan called for the creation of four parks downtown. The first park, Main Street Garden Park, opened in 2009. Belo Garden opened May 2012 The third park, Klyde Warren Park opened in October of 2012. Land for the fourth park, Pacific Garden Plaza/Park was acquired using 2006 Bond funds, but construction of the park was unfunded at the time.*

*The City of Dallas has contracted with DowntownDallas Inc. to provide operations and programming of three of the four downtown parks (excludes Klyde Warren Park), as well as Pegasus Plaza. Main Street Garden Park hosts many events annually including Moonlight Movie Series showing free outdoor movies on Saturdays in the park and YMCA outdoor sporting leagues. Pegasus Plaza held the Taste of the Fair, where foods from the annual State Fair of Texas could be sampled during the fiscal year.*

*In March 2013, City Council endorsed an update of the Downtown Parks Master Plan that proposed three new downtown parks and construction of Pacific Plaza: West End Plaza, Carpenter Plaza near Deep Ellum and Harwood Park next to the Farmers Market.*

*At the beginning of the 2016 fiscal year, the Belo Foundation (now called Parks for Downtown Dallas) pledged \$30 million to complete implementation of the updated Downtown Dallas Parks Masterplan. The plan calls for \$70M in private and public funding to build four additional parks in downtown Dallas (Harwood Park, Carpenter Park, Pacific Plaza and West End Plaza). Two of the four proposed parks are within the boundaries of the Downtown Connection TIF District – Harwood Park and Pacific Plaza. Belo Foundation will also raise an additional \$5 million, for a total pledge of \$35 million. The \$35 million committed by Parks for Downtown Dallas was offered to the City through a dollar-for-dollar matching grant and the City will be responsible for contributing matching capital.*

*On November 7, 2017, City of Dallas voters approved a Capital Bond Program totaling \$1.050 billion. The program allocated \$35 million to re-develop/develop three downtown parks: Carpenter Park, Harwood and the West End Plaza as a match for the Parks for Downtown Dallas grant. Additionally, \$10 million was allocated as matching funds for the future expansion of Klyde Warren Park.*

*On April 17, 2018, a ground breaking was held for Pacific Plaza Park. The 3.4 acre park will cost approximately \$15 million and will take approximately 18 months to complete construction. Harwood Park is approximately 3.8 acres in size and is currently under design. Harwood Park is expected to be delivered in 2020.*

*Browder Street Plaza Improvements - March 2012, the Office of Economic Development, in conjunction with Downtown Dallas, Inc., and the City Design Studio, issued a Request for Proposals for Browder Street Plaza retail development and leasing/management opportunities. The retail component of Browder Street Plaza, between Commerce Street and Jackson Street, was intended to add activity along this pedestrian thoroughfare and complement the public improvements constructed on the site. The City of Dallas invested \$500,000 in public space improvements to install landscaping, shade, street furniture, paving, and other pedestrian and plaza improvements. Hamilton DPL Development Inc. and Hamilton DPL, LP won the solicitation with its proposed retail activation plan which focused on retail kiosks and food trucks within Browder Street Plaza.*



*Construction of AT&T's Discovery District began during fiscal year 2018, causing temporary disruption of full usage of the Browder Street Plaza.*

- Incentivize catalyst project(s) to accelerate reaching a critical mass of residential units, retail establishments, and public amenities for a vibrant downtown

*The District's catalyst project included the Mercantile Block, Lone Star Gas Lofts Complex and Continental building. In 2008, the Mercantile Block completed redevelopment. Phase I of the Lone Star Gas Lofts Complex and Continental Building projects were completed in 2013. Phase II of the Lone Star Gas Lofts Complex project completed construction in July of 2014. These projects have added 799 residential units (inclusive of 211 affordable units) and 50,000 square feet of retail.*

## Year-End Summary of Meetings

The Downtown Connection TIF District Board of Directors met two (2) times during FY 2018: December 14, 2017 and January 11, 2018.

The Downtown Connection TIF District Board of Directors consists of nine (9) members including six (6) City of Dallas appointees, one (1) State Senator's office appointee, one (1) Dallas County appointee and one (1) State Representative's office appointee. During FY 2018, the Downtown Connection TIF Board consisted of the following members:

### Board Member List

Evan Beattie – City Appointee (Attended 1 of 2 meetings)  
 Larry James – City Appointee (Attended 2 of 2 meeting)  
 John Perry – City Appointee (Attended 2 of 2 meetings)  
 Vacant – City Appointee  
 Vacant – City Appointee  
 Vacant – City Appointee  
 Rick Loessberg – Dallas County Appointee (Attended 2 of 2 meetings)  
 Vacant – State Senator's Office Appointee  
 Steve Bancroft – State Representative's Appointee (Attended 0 of 2 meetings)

During FY 2018, the City Council approved 14 (fourteen) items directly or indirectly associated with the Downtown Connection TIF District. The council actions are listed below.

- On October 25, 2017, City Council approved Resolution No. 17-1468 authorizing a Funding Agreement between Dallas Area Rapid Transit, Downtown Dallas, Inc. and the City of Dallas for a one-year extension of the D-Link, downtown shuttle service operation in an amount not to exceed \$332,991 from Convention and Event Services Current Funds.

- On December 13, 2017, City Council conducted a public hearing and approved Resolution No. 17-1940 adopting the 360 Plan as a guide to future City Council actions concerning land use and development regulations, transportation and economic development, and capital improvement expenditures in the area generally bounded by a two and a half mile radius centered on the intersection of Main Street and Akard Street.
- On January 10, 2018, City Council approved Ordinance No. 30735 and Resolution No. 18-0074 granting a private license to Commerce Statler Development, LLC, for the use of a total of approximately 9,330 square feet of land to occupy, maintain and utilize a sidewalk café, crosswalk texturing, eleven light poles, twelve bollards, three trees, two flag poles with stone clad base with water feature, electrical conduits and conductors on a portion of Commerce Street right-of-way near its intersection with St. Paul and Harwood Streets; generating \$3,460 annually in revenue for the City and a \$500 one-time fee, plus the \$20 ordinance publication fee.
- On January 10, 2018, City Council approved Ordinance No. 30737 and Resolution No. 18-0076 granting a private license to The Union Uptown Dallas, LLC, for the use of a total of approximately 3,332 square feet of land to occupy, maintain and utilize four canopies without premise sign and three canopies with premise sign, landscaping and irrigation, planting beds, trees, special tiered pavers, planter boxes, sidewalk café, subsurface electrical vault, six benches, three trash receptacles and pole lights on and over portions of Cedar Springs Road, Field, Ashland and Akard Streets rights-of-way, located near the intersection of Ashland and Field Streets; generating \$9,735 annually in Revenue for the City and a \$1,200 one-time fee, plus the \$20 ordinance publication fee.
- On February 14, 2018, City Council approved Resolution No. 18-0283 authorizing an amendment to Resolution No. 17-0534, previously approved on March 22, 2017, to (1) amend the parties to reflect the owner as Flora Street Lofts, Ltd., and the developer as Artspace Projects, Inc.; and (2) allow for a six-month extension to project deadlines in the future, if necessary, for the development agreement associated with previously approved TIF funding for the Flora Lofts Project located at 2121 Flora Street in the Arts District.
- On February 14, 2018, City Council approved Resolution No. 18-0280 authorizing an amendment to Resolution No. 17-0535, previously approved on March 22, 2017, for a conditional grant agreement with Flora Street Lofts, Ltd. for construction of Flora Lofts, a 52-unit multifamily new construction project located at 2121 Flora Street, conditioned upon 2017 4% Low Income Housing Tax Credit (LIHTC) award to (1) amend the parties to reflect the owner/LIHTC Applicant as Flora Street Lofts, Ltd., and the developer as Artspace Projects, Inc.; (2) extend the commencement of construction and the completion date; and (3) allow for an additional six-month extension to project deadlines.

- On February 28, 2018, City Council approved Resolution No. 18-0356 accepting the FY 2016-2017 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Eleven, (Downtown Connection TIF District), submitted by the Downtown Connection 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.
- On February 28, 2018, City Council approved Resolution No. 18-0341 authorizing the City Council of the City of Dallas, to act as the applicable elected representative, as defined by Section 147(f)(2)(E) of the Internal Revenue Code, with respect to approve the issuance of multifamily housing revenue bonds issued by the Dallas Housing Finance Corporation in one or more series of tax-exempt bonds in an amount not to exceed \$15,000,000 to Flora Street Lofts, Ltd. to finance the acquisition and new construction of Flora Lofts, a 52-unit multifamily project at 2121 Flora Street following a public hearing held on February 13, 2018, after reasonable public notice, in order to comply with the Tax Equity and Fiscal Responsibility Act's one year validation period requirement of Section 147(b)(4)(B)(iv) of the Internal Revenue Code.
- On February 28, 2018, City Council approved Resolution No. 18-0404 authorizing a second amendment to the development agreement with Commerce Statler Development, LLC and Centurion Acquisition, LP (collectively, the "Developer") for the Statler/Library/Jackson Street Redevelopment project, previously authorized on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685, to (1) replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and that upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and (2) require the construction of an underground Jackson Street Garage and for Mehrdad Moayedi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019.
- On March 28, 2018, City Council conducted a public hearing and approved Ordinance No. 30812 and Resolution No. 18-0468 granting the creation of a new tract within Historic Overlay No. 48, the Harwood Historic District, to allow additional signage on property zoned Planned Development District No. 619, on the northeast corner of St. Paul Street and Elm Street Recommendation of Staff and CPC: Approval, subject to preservation criteria Recommendation of Landmark Commission: Approval, subject to preservation criteria Z167-351(LC).



- On May 9, 2018, City Council approved Resolution No. 18-0682 authorizing (1) the receipt and deposit of funds in an amount not to exceed \$175,677 from AT&T, Inc. for certain material and labor costs associated with removal of existing traffic signals and replacing them with new signals at 8 intersections surrounding the proposed AT&T Discovery Plaza; and (2) an increase in appropriations in an amount not to exceed \$175,677 in the Capital Projects Reimbursement Fund.
- On May 9, 2018, City Council approved Resolution No. 18-0704 authorizing (1) adoption of a new comprehensive housing policy (the "Housing Policy"); (2) existing housing strategies, tools and programs are incorporated into the comprehensive housing policy; (3) approval of any addition to, alteration or deletion of a strategy tool, or program included in the comprehensive housing policy via a resolution to amend the Housing Policy unless such addition, alteration or deletion is purely administrative in form and does not alter the stated goals; (4) Community Development Commission shall use the Housing Policy as a guide for developing all recommendations, including those related to the U.S. Department of Housing and Urban Development entitlement grants; (5) execute individual loans agreements, which includes loans exceeding \$50,000, without additional Council approval; (6) unspent funds from home repair activities (Major Systems Repairs, Emergency System Repair, and Home Rebate Improvement) may be used in the new Home Improvement and Preservation Program; and (7) Housing Policy to take effect immediately upon approval.
- On May 23, 2018, City Council approved Resolution No. 18-0750 authorizing (1) the receipt and deposit of funds in an amount not to exceed \$375,000 from Parks for Downtown Dallas/Pacific Plaza LLC, for material, equipment and labor provided by the City related to the reconstruction of two existing traffic signals on Harwood Street at Live Oak Street and St. Paul Street at Pacific Avenue/Live Oak Street; and (2) an increase in appropriations in an amount not to exceed \$375,000 in the Capital Projects Reimbursement Fund.
- On May 23, 2018, City Council approved Resolution No. 18-0762 authorizing (1) a development and funding agreement with Pacific Plaza LLC, Harwood Park LLC, West End Plaza Park LLC, Carpenter Park LLC and Parks for Downtown Dallas (collectively referred to as Developer) for the proposed downtown parks, including Pacific Plaza, Harwood Park, Carpenter Park and West End Plaza; (2) land acquisition for West End Plaza in an amount not to exceed \$8,600,000; (3) land acquisition for Harwood Park for up to the amount of Developer's purchase price, not to exceed \$11,787,216; (4) the City, through its Park and Recreation Department, to use any remaining portion of the City's Pacific Plaza environmental allocation for West End Plaza, Harwood Park, and Carpenter Park; and (5) waiving the percentage for public art required by the Public Art Ordinance for the 2017 Bond Funds for Downtown Parks - Not to exceed \$20,387,216 - Financing: 2006 Bond Funds (\$4,429,623) and 2017 Bond Funds (\$15,957,593).

## Budget and Spending Status

The Downtown Connection TIF District established a budget for public improvement expenditures necessary to support private investment in the District. The Project and Reinvestment Zone Financing Plans estimate TIF public improvements totaling approximately \$231.6 million (in 2006 dollars). The final, amended budget for the District is as follows:

<b>Downtown Connection TIF District</b>			
<b>Current Projected Increment Revenues to Retire TIF Fund Obligations</b>			
	<b>B</b>	<b>C</b>	<b>B - C</b>
<b>Category</b>	<b>Estimated Total Dollar TIF Budget</b>	<b>Allocated<sup>3</sup></b>	<b>Estimated Total Dollar Balance</b>
<b>Catalyst Projects:</b> - <i>Environmental remediation, demolition, historic façade, restoration, street/utility improvements &amp; streetscape improvements, land acquisition, and non-project costs, including, but not limited to machinery, equipment, materials and supplies</i>	\$68,000,000	\$68,000,000	\$0
<b>Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots</b> - <i>Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing</i>	\$232,166,065	\$238,372,012	(\$6,205,947)
<b>Uptown/Downtown connection improvements</b>	\$0	\$0	\$0
<b>Park and plaza design and acquisition</b>	\$3,009,183	\$0	\$3,009,183
<b>Affordable Housing<sup>2</sup></b>	\$3,000,000	\$3,000,000	\$0
<b>Retail Initiative/Streetscape Improvements</b>	\$1,985,000	\$459,845	\$1,525,155
<b>Downtown Area Plan</b>	\$515,000	\$512,464	\$2,536
<b>Administration and Implementation<sup>4</sup></b>	\$5,566,660	\$1,906,968	\$3,659,692
<b>Debt Service (Interest Only)</b>	\$150,363,000	\$150,363,000	\$0
<b>Total Project Costs</b>	<b>\$464,604,907</b>	<b>\$462,614,289</b>	<b>\$1,990,618</b>
<sup>1</sup> TIF Budget shown above in total dollars; TIF Project Plan shows the budget in net present value <sup>2</sup> The Affordable Housing line item has been reduced by the amount of money allocated to the Continental project <sup>3</sup> The Allocated total shown for the Redevelopment of Vacant/Underutilized Downtown Building line item reflects the total TIF District's commitment to projects currently in the Reimbursement Queue <sup>4</sup> Administration and Implementation expenses shown are expended or committed through FY 2018.			

<b>Downtown Connection TIF District Plan Budget</b>	
<b>Category</b>	<b>Budget in 2006 Dollars</b>
<b>Catalyst Projects:</b> - <i>Environmental remediation, demolition, historic façade, restoration, street/utility improvements &amp; streetscape improvements, land acquisition, and non-project costs, including, but not limited to machinery, equipment, materials and supplies</i>	\$68,000,000
<b>Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots</b> - <i>Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing</i>	\$152,653,168
<b>Uptown/Downtown Connection Improvements</b>	\$0
<b>Park and Plaza Design and Acquisition</b>	\$1,500,000
<b>Affordable Housing</b>	\$3,000,000
<b>Retail Initiative/Streetscape Improvements</b>	\$1,985,000
<b>Downtown Area Plan</b>	\$515,000
<b>Administration and Implementation</b>	\$3,940,386
<b>Debt Service (Interest Only)</b>	-
<b>Total Project Costs</b>	<b>\$231,593,554</b>
<i>*Budget shown above in 2006 dollars; TIF Project Plan shows the budget in net present value.</i>	

<b>Downtown Connection TIF Participation</b>				
<b>Participation Jurisdictions</b>	<b>Duration of TIF District</b>	<b>Estimated TIF Collection Period</b>	<b>Participation Level</b>	<b>Contribution to TIF Fund</b>
City of Dallas	2006 -2035	30 years	90%	\$435,282,975
Dallas County	2006 -2035	20 years	55%	\$25,236,264
<b>TOTAL</b>				<b>\$464,604,907</b>
<small>All values are expressed in current dollars, except where noted. TIF collection began in 2006. Actual collections period may vary.</small>				

<b>Downtown Dallas Development Authority Status of DDDA Bond Sales and Repayment</b>				
<b>Project</b>	<b>Bond Sales</b>	<b>Principal + Interest</b>	<b>Total Paid</b>	<b>Balance Due</b>
Mercantile	Series 2006 \$50,605,343	\$139,671,210	\$25,655,000	\$114,016,210
Mercantile	Series 2007 \$28,950,514	\$67,301,055	\$22,067,930	\$45,233,125
<b>Totals</b>		<b>\$206,972,265</b>	<b>\$47,722,930</b>	<b>\$159,249,335</b>

### M/WBE Participation

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

<b>Downtown Connection TIF Project M/WBE Participation</b> <small>(completed projects only)</small>					
<b>Project</b>	<b>Total Construction Contract Amount</b>	<b>Local MWBE Amount</b>	<b>Non-Local MWBE Amount</b>	<b>Total MWBE Participation</b>	<b>Total MWBE Participation Percentage</b>
Continental Building	\$30,796,191	\$9,985,348	\$1,063,266	\$11,048,614	36%
Dallas Arts District Garage	\$852,764			\$439,839	52%
Hall Arts Center <sup>1</sup>	\$67,967,863	\$12,759,544	\$164,950	\$12,924,494	19%
Joule Hotel Expansion	\$70,464,515	\$12,054,208	\$9,668,098	\$21,722,305	31%
Lone Star Gas Lofts Complex Phase I	\$6,887,607	\$853,912	\$1,020,662	\$1,874,574	27%
Mayflower Building (411 N. Akard St.)	\$30,315,839	\$3,458,851	\$4,141,919	\$7,600,770	25%
Mercantile Complex	\$107,012,554			\$26,707,787	25%
Sante Fe IV (Aloft Hotel)	\$20,937,338			\$5,811,923	28%
Statler Hotel & Residences/Old Library	\$128,327,195	\$19,967,510	\$12,327,745	\$32,295,255	25%
Stoneleigh Hotel	\$25,106,706			\$4,998,000	20%
<b>Totals</b>	<b>\$488,668,572</b>	<b>\$59,079,373</b>	<b>\$28,386,640</b>	<b>\$125,423,561</b>	<b>26%</b>

<sup>1</sup>M/WBE participation percentages for completed projects and as provided by the City's Business Inclusion and Development division.

\*\*Information regarding M/WBE participation for this project was not available. Project's participation efforts are under review by the City's Business Inclusion and Development division.

<sup>1</sup>Minimum M/WBE participation for Hall Arts Center project was 10%.

## **FY 2019 Work Program**

The work program items for FY 2019 for the Downtown Connection TIF District are as follows:

- Adoption of FY 2018 Annual Report
- Continue to support OED office/business retention efforts in the downtown core
- Complete existing projects
- Identify and promote redevelopment of key properties in the District
- Identify and support opportunities for improving physical connections between Downtown Core and surrounding districts including the Convention Center, Uptown, Victory, the Cedars and Deep Ellum neighborhoods
- Implement Ground Floor Activation Strategy for district
- Continue annual reimbursement of completed TIF projects
- Conduct City audit of TIF projects completed by June 1, 2019 and begin reimbursement process for completed projects.
- Investigate refinancing TIF Bonds for the district

## Appendix A: District Financials

**City of Dallas, Texas**  
**Downtown Connection 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)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Assets:</b>					
Pooled cash and cash equivalents	\$18,352,694	\$14,019,793	\$916,120	\$718,665	\$235,725
Interest receivable	\$42,136	\$34,289	\$6,786	\$1,032	\$455
Receivables from DDDA	\$0	\$0	\$0	\$0	\$26,873,440
<b>Total assets</b>	<b>\$18,394,830</b>	<b>\$14,054,083</b>	<b>\$922,906</b>	<b>\$719,697</b>	<b>\$27,109,620</b>
<b>Liabilities and Fund Balance (Deficit):</b>					
<b>Liabilities:</b>					
Accounts and other payable	\$1,701,086	\$452,597	\$94,387	\$163,383	\$26,408,238
Advances from developers	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$0	\$39,040	\$39,040	\$39,040	\$39,040
<b>Total liabilities</b>	<b>\$1,701,086</b>	<b>\$491,637</b>	<b>\$133,427</b>	<b>\$202,423</b>	<b>\$26,447,278</b>
<b>Fund Balance (Deficit):</b>					
Fund Balance (Deficit)	\$16,693,743	\$13,562,445	\$789,479	\$517,273	\$662,341
<b>Total Liabilities and Fund Equity</b>	<b>\$18,394,830</b>	<b>\$14,054,082</b>	<b>\$922,906</b>	<b>\$719,697</b>	<b>\$27,109,620</b>
	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)

**Downtown Connection 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)**

	<u>ITD</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>						
Tax increment-Governmental	\$114,694,280	\$21,312,883	\$17,038,233	\$14,209,948	\$12,654,259	\$11,306,531
Tax increment-Intergovernmental	\$21,397,867	\$3,944,948	\$3,340,575	\$2,586,843	\$2,303,372	\$2,123,189
Interest income	\$484,058	\$165,389	\$92,694	\$39,185	\$39,935	\$828
Contributions from DDDA	\$84,183,360	\$18,476,039	\$14,807,015	\$10,209,998	\$9,630,838	\$26,873,440
Net increase (decrease) in fair value of investments	\$5,182	\$25,345	(\$30,187)	\$5,615	\$1,752	(\$372)
<b>Total revenues</b>	<b>\$220,764,747</b>	<b>\$43,924,604</b>	<b>\$35,248,331</b>	<b>\$27,051,589</b>	<b>\$24,630,156</b>	<b>\$40,303,617</b>
<b>Expenditures:</b>						
Administrative expenses	\$1,906,968	\$93,780	\$184,988	\$169,249	\$158,819	\$202,814
Non-Capital Outlay	\$8,714,014	\$7,583,709	\$382,586	\$143,009	\$12,734	\$2,132
Capital outlay	\$246,294	\$0	\$0	\$0	\$0	\$6,250
Affordable housing cost participation	\$2,000,000	\$0	\$0	\$0	\$0	\$0
Transfers to DDDA-Increment	\$136,092,147	\$25,257,832	\$20,378,808	\$16,796,791	\$14,957,631	\$13,429,720
Developer reimbursements-Principal	\$54,711,189	\$7,857,986	\$1,528,982	\$9,670,334	\$9,506,281	\$26,147,606
Interest and fiscal charges	\$400,391	\$0	\$0	\$0	\$139,759	\$260,632
<b>Total expenditures</b>	<b>\$204,071,004</b>	<b>\$40,793,306</b>	<b>\$22,475,365</b>	<b>\$26,779,383</b>	<b>\$24,775,224</b>	<b>\$40,049,155</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$16,693,743</b>	<b>\$3,131,299</b>	<b>\$12,772,966</b>	<b>\$272,206</b>	<b>(\$145,068)</b>	<b>\$254,462</b>
<b>Fund balance (Deficit) at beginning of year as previously reported</b>						
	\$0	\$13,562,445	\$789,479	\$517,273	\$662,341	\$407,879
<b>Fund balance (Deficit) at beginning of year, as restated</b>						
	\$0	\$13,562,445	\$789,479	\$517,273	\$662,341	\$407,879
<b>Fund balance (deficit) at end of year</b>						
	\$16,693,743	\$16,693,743	\$13,562,445	\$789,479	\$517,273	\$662,341

**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.**

Exhibit A  
Downtown Connection TIF District

City of Dallas, Texas  
Downtown Connection Tax Increment Financing District Fund  
Reinvestment Zone Number Eleven  
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:

\$190,733	Interest Income
\$18,476,039	Transfers from DDDA
\$25,257,832	Ad Valorem Taxes (Collected in FY'2017-18 based on 2017 Final Tax Roll)
<u>\$43,924,604</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$93,780	Administrative Expense
\$7,559,122	Non-Capital Outlay*
\$24,587	Non-Capital Outlay-PNV design cost reimbursement
\$0	Capital outlay
\$25,257,832	Transfers to DDDA-Increment
\$7,857,986	Developer reimbursements-Principal
	Additional Subsidy in Form of Grant (in lieu of interest expense)
<u>\$40,793,306</u>	Total Expenditures

\* Non-Capital Outlay costs were incurred for the following:

DDDDA Annual Audit	\$0
Developers reimbursements	\$7,518,167
Other -Prof. service fees	\$40,954
Total	<u>\$7,559,122</u>

3. a. Amount of Principal and Interest due-on outstanding indebtedness:

The Zone has a primary obligation to retire the bonds, issued by Downtown Dallas Development Authority (DDDA) from available tax increment generated over the life of the Zone.

b. 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	Max. Accrued Add'l Subsidy (A)	Maximum TIF Award	Less Payments			Net Bal. Remaining
					Principal	Accrued Add'l Subsidy (A)	Total P & I	
AP/APH Stoneleigh, L.P.	Stoneleigh Hotel	\$2,500,000	\$0	\$2,500,000	\$1,526,520	\$0	\$1,526,520	\$973,480
SANTA FE IV HOTEL, L.P.	Santa Fe IV - Aloft Hotel	\$3,734,419	\$0	\$3,734,419	\$3,734,419	\$0	\$3,734,419	\$0
Federal Deposit Insurance Corp.	1600 Pacific	\$8,830,000	\$4,040,200	\$12,870,200	\$8,830,000	\$400,391	\$9,230,391	\$0
TIF Hotel, Inc.	Joule Hotel Expansion	\$20,658,500	\$0	\$20,658,500	\$20,658,500	\$0	\$20,658,500	\$0
Hamilton Atmos, L.P.	Atmos Complex Phase I	\$3,250,000	\$3,000,000	\$6,250,000	\$3,250,000	\$1,006,965	\$4,256,965	\$1,993,035
Hamilton Atmos, L.P.	Atmos Complex Phase II	\$11,750,000	\$5,000,000	\$16,750,000	\$0	\$0	\$0	\$16,750,000
TIF Hotel, Inc.	Joule Hotel Expansion Amendment	\$3,194,403	\$0	\$3,194,403	\$3,194,403	\$0	\$3,194,403	\$0
FC MERC COMPLEX, P.P.	Continental Building A (Inc. only)	\$3,700,000	\$0	\$3,700,000	\$921,230	\$0	\$921,230	\$2,778,770
FC MERC COMPLEX, P.P.	Continental Building B	\$13,036,809	\$4,222,588	\$17,259,397	\$10,962,628	\$3,300,418	\$14,263,046	\$2,996,351
Hall Lone Star Associates, L.P.	Hall Lone Star Phase I	\$852,764	\$0	\$852,764	\$852,764	\$225,871	\$1,078,635	\$0
Hall Lone Star Associates, L.P.	Hall Lone Star Project - Phase II	\$6,147,236	\$2,000,000	\$8,147,236	\$1,564,743	\$872,216	\$2,436,959	\$5,484,406
PetroCorrigan Towers, LP	Tower Petroleum-Phase I	\$10,300,000	\$0	\$10,300,000	\$0	\$0	\$0	\$10,300,000
Federal Deposit Insurance Corp.	LTV Tower Project	\$16,500,000	\$0	\$16,500,000	\$588,564	\$0	\$588,564	\$15,911,436
Drever 1401 ELM, LLC	The Drever	\$45,000,000	\$5,000,000	\$50,000,000	\$0	\$0	\$0	\$50,000,000
Centurion Acquisitions, L.P.	Statter/Library/Jacks on Street	\$46,500,000	\$0	\$46,500,000	\$0	\$0	\$0	\$46,500,000
Akad Owner, LLC.	411 N. Akad-Mayflower Building	\$9,000,000	\$1,000,000	\$10,000,000	\$1,000,000	\$0	\$1,000,000	\$9,000,000
Supreme Bright Dallas II, LLC.	1712 Commerce Street Building	\$10,500,000	\$0	\$10,500,000	\$0	\$0	\$0	\$10,500,000
PetroCorrigan Towers, LP	Corrigan Tower-Phase II	\$9,700,000	\$0	\$9,700,000	\$0	\$0	\$0	\$9,700,000
<b>Total</b>		<b>\$225,154,132</b>	<b>\$24,262,788</b>	<b>\$249,416,920</b>	<b>\$57,083,771</b>	<b>\$5,805,860</b>	<b>\$62,889,631</b>	<b>\$182,887,479</b>

\*Reimbursements began in fiscal year 2014 and will continue each year after meeting bond requirements, project completion and upon availability of TIF funds

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

Notes:

- FC MERC Complex, P.P. - Continental Building B : Section 108 Loan payoff to HUD in the amount of \$5,763,639.24 was transferred to Department of Housing, City of Dallas on 10/2/17 (FY18)
- FC MERC Complex, P.P. - Continental Building B : Reimbursement TIF payment in the amount of \$6,319,120.76 was made to F.C. Complex LP fiscal year 2018
- Hall Lone Star Associates, L.P. - Maximum interest allowed for Hall Lone Star Project Phase I and Phase II is \$2,000,000. Phase II project payment of \$2,436,959 was made fiscal year 2018

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

Taxing Jurisdiction	Taxable Value 2018	Base Year 2005 Value	Est. Captured Value 2018**
City of Dallas	\$4,337,564,486	\$564,917,317	\$3,772,647,169
Dallas County	\$4,348,850,997	\$561,696,337	\$3,787,154,660

\*\* Based on Certified Taxable Values. Final values will be determined on February 1, 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	Estimated 2018 Increment
City of Dallas	0.69903	\$26,371,936
Dallas County	0.13371	\$5,063,615
Total for all Jurisdictions	<u>\$0.83274</u>	<u>\$31,435,551</u>

B. The total amount of estimated tax increment to be billed for the 2018 tax year is \$31,435,551. For the 2017 tax year, increment in the amount of \$25,257,832 was collected and transferred to Downtown Dallas Development Authority (DDDA) in accordance with the terms of the DDDA bond indentures.

City of Dallas, Texas  
Downtown Connection 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. 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 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.
4. The Zone's Financial Plan permits expenditures not to exceed \$3,940,386 over the life of the TIF to reimburse the City for administrative costs. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
5. All project costs resulting in capital improvements which are owned by the City are capitalized in the City's fixed assets.



## Appendix B: Project Pay-Off Estimates

Developer	Project Name	Max. TIF Award	Pay-Off Date
AP/APH Stoneleigh, L.P.	Stoneleigh Hotel	\$2,500,000	2021
Hall Lone Star Associates, L.P.	Hall Lone Star Phase I	\$2,852,764	2014
SANTA FE IV HOTEL, L.P.	Santa Fe IV - Aloft Hotel	\$3,734,419	2014
Federal Deposit Insurance Coporation	1600 Pacific	\$12,870,200	2014
TIF Hotel, Inc.	Joule Hotel Expansion	\$20,658,500	2016
Hamilton Atmos, L.P.	Atmos Complex Phase I	\$6,250,000	2016
Hamilton Atmos, L.P.	Atmos Complex Phase II	\$16,750,000	2019
TIF Hotel, Inc.	Joule Hotel Expansion Amendment	\$3,194,403	2016
FC MERC COMPLEX, P.P.	Continental Building A (Inc. only)	\$3,700,000	2032
FC MERC COMPLEX, P.P.	Continental Building B	\$17,259,397	2018
Hall Lone Star Associates, L.P.	Hall Lone Star Project - Phase II	\$6,147,236	2019
PetroCorrigan Towers, LP	Tower Petroleum-Phase I	\$10,300,000	2020
Federal Deposit Insurance Coporation	LTV Tower Project	\$16,500,000	2021
Drever 1401 ELM, LLC	The Drever	\$50,000,000	2024
Centurion Acquisitions, L.P.	Statler/Library/Jackson Street	\$46,500,000	2026
Akard Owner, LLC.	411 N. Akard-Mayflower Building	\$10,000,000	2027
Supreme Bright Dallas II, LLC.	1712 Commerce Street Building	\$10,500,000	2027
PetroCorrigan Towers, LP	Corrigan Tower-Phase II	\$9,700,000	2027

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

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

## Appendix C: District Set-Aside Funds

There are no District Set-Aside Funds.