

Exhibit A

Cedars TIF District FY 2019-2020 Annual Report



Four Corners Brewery Co.
Source: City of Dallas-Office of Economic Development



City of Dallas

Office of Economic Development
1500 Marilla Street, 6DN
Dallas, Texas 75201
(214) 670-1690

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

October 1, 2019 to September 30, 2020

Cedars Tax Increment Financing District



Table of Contents

Mission Statement.....	4
District Projects	5
Mixed-Income Housing Summary	8
Value and Increment Revenue Summary.....	8
Objectives, Programs and Success Indicators	9
Year-End Summary of Meetings and Council Items.....	11
Budget and Spending Status.....	13
M/WBE Participation	14
FY 2020-2021 Work Program	14
Appendix A: Financials.....	15
Appendix B: Financial Obligations/Estimated Payoff.....	18
Appendix C: District-wide Set Aside Funds	19

Mission Statement

The mission of the Cedars TIF District is to attract new residential and commercial development, facilitate growth and increase its tax base, capitalizing on the District's proximity to Downtown Dallas and major transportation arteries.

The Dallas City Council established the Cedars TIF District and the Board of Directors by Ordinance No. 21492, on December 9, 1992, as amended. The TIF District took effect on January 1, 1993 and is scheduled to terminate on December 31, 2022 (including collection of the 2022 increment in calendar year 2023 and any related matters to be concluded in 2023).

The District's participating taxing jurisdictions are the City of Dallas, Dallas County, Dallas County Hospital District (DCHD) and Dallas Independent School District (DISD). The annual participation rates for the taxing jurisdictions are as follows:

- The City's annual participation rate was 100% in 1993 through 2012. Its participation rate decreased to 90% in 2013 and thereafter.
- Dallas County's participation rate was 65% in 1993 through 2012. The County's annual participation rate increased to 75% in 2013 and thereafter.
- Dallas County Hospital District's (DCHD) participation rate was 65% in 1993 through 2012.
- Dallas Independent School District's (DISD) participation rate was 50% in 1993 through 2012.

District Projects

Projects Within the TIF District Utilizing TIF Funding ¹							
Project	Location	Calendar Year Complete	Status	Units/SF ²	Approx. Value ³	TIF Investment	
Metroplex Greenhaven Landscaping Service	1919 S Harwood St	2002	Complete	11,368 sf commercial	\$595,460	\$12,089	
McKee Row Homes I	1500-1510 McKee St	2005	Complete	6 row homes	\$1,680,930	\$143,350	
McKee Row II	1512-1516 McKee St	2006	Complete	3 row homes	\$939,750	\$10,045	
Seegar Row Homes	1525-1603 Seegar St	2006	Complete	7 row homes	\$1,872,130	\$25,000	
Buzz Condos	1111 S Akard St	2007	Complete	49 condos	\$10,658,940	\$459,061	
Millers Ferry Row	1803-1823 S Ervay St 1602 Beaumont St 1817 Millers Ferry Row	2007	Complete	13 row homes	\$3,726,130	\$185,490	
The Beat at South Side Station	1001 Belleview St	2009	Complete	75 condos	\$25,724,630	\$798,257	
The Belleview (aka 1400 Belleview)	1400 Belleview St	2015	Complete	164 apts 5,000 sf retail/flex space	\$8,000,000	\$1,657,916	
Belleview Browder District-wide Improvements	Belleview St from Browder St to S Akard St; Gould St from Belleview St to Sullivan Dr; Browder St from Belleview St to Sullivan Dr; Sullivan Dr from Browder St to S Ervay St	2015	Complete	N/A	-	\$441,225	
Lorenzo Hotel	1011 S. Akard St	2017	Complete	237 hotel rooms 1,800 sf retail	\$14,542,820	\$2,285,071	
Dallas Heritage Village ⁴	1515 S. Harwood St	2021	In progress	5,180 sf comm/flex	N/A	\$650,000	
				Subtotal	317 res. units 237 hotel rooms 6,800 sf retail 16,548 sf comm/flex space	\$67,740,790	\$6,667,504
Projects Within the TIF District Not Utilizing TIF Funding ¹							
Project	Location	Calendar Year Complete	Status	Units/SF ²	Approx. Value ³	TIF Investment	
1519 Beaumont St	1519 Beaumont St	1995 and 2010	Complete	6 apts	\$1,381,880	\$0	

Cedars Corner	1108 S Akard St	1998	Complete	20 apts	\$1,083,000	\$0
Dallas Police Assoc. Headquarters	1412 N Griffin St	2003	Complete	11,150 sf office	\$1,207,950	\$0
Resource One Credit Union expansion ⁴	1200 Bellevue St	2003	Complete	13,430 sf office	\$1,055,700	\$0
Dallas Police Headquarters ⁴	1400 S Lamar St	2003	Complete	358,758 sf office	\$20,017,580	\$0
Monicas Mex Tex Cantina (formerly Cedars Social)	1326 S Lamar St	2005	Complete	3,000 sf restaurant	\$160,000	\$0
Urban Lofts – Akard	1203-1223, 1204-1218 Urban Lofts Dr	2008	Complete	15 townhomes	\$5,665,190	\$0
Off the Bone BBQ	1734 S Lamar St	2008	Complete	829 sf restaurant	\$349,350	\$0
Edison's	1724 Cockrell Ave	2008	Complete	15,000 sf comm	\$748,740	\$0
Buzzworks	2001 Gould St	2016	Complete	2,100 sf flex space	\$936,750	\$0
Browder Park Place	1815 Browder Street	2017	Complete	6 townhomes	\$2,770,400	\$0
Four Corners Brewery	1311 S Ervay St	2017	Complete	47,358 sf retail/rest.	\$3,617,940	\$0
Digit 1919	1919 S Akard St	2017	Complete	102 apts	\$17,150,000	\$0
Sandwich Hag	1902 S. Lamar St	2017	Complete	630 sf restaurant	\$173,000	\$0
Gould Green	1708-1712 Gould St	2017	Complete	2 res units	\$967,100	\$0
Wall Street Lofts	1204-1235 Hyde Crt 1203-1213 Silver Mill Crt	2018	Complete	14 townhomes	\$6,272,910	\$0
7-Eleven	1290 S Lamar St	2018	Complete	3,500 sf retail	\$2,814,890	\$0
Southside Place David Weekly Homes	1310-1380 Fitts Pl 1304-1374 Romano Pl 1310-1395 Branchwood Pl 1308-1393 Arch Pl	2019	Under Construction	41 detached homes	\$20,512,440	\$0
Lamar Loft Conversion (former Lamar School)	1403 Corinth St	TBD	Under Construction	30 apts	\$3,200,000	\$0
Destination Residences	1112 Peters St	TBD	Under Construction	62 condos	\$7,000,000	\$0
Galleries on Hickory	1509-1527 Hickory St 1814-1820 Browder St	TBD	Under Construction	24 res. units (for sale)	\$8,900,000	\$0
Texas InTown Homes	1700 Cockrell St	2023	Planned	82 townhomes	\$20,000,000	\$0

				404 res. units 55,317 sf retail/rest. 400,438 sf comm/office/flex space	\$125,984,820	\$0
Subtotal						
Projects Within the TIF District Utilizing Tax Abatements ¹						
Project	Location	Calendar Year Complete	Status	Units/SF ²	Approx. Value ³	Est. Tax Abatement
South Side Flats	1210 S Lamar St	2016	Complete	290 res. units 6,560 sf retail	\$39,500,000	\$1,938,897
Subtotal				290 res. units 6,560 sf retail	\$39,500,000	\$1,938,897
				1,011 res. units 237 hotel rooms 68,677 sf retail/rest. 416,986 comm/office/flex space	\$233,225,610	\$8,606,401
Total						
¹ All information updated as of September 30, 2020. ² Based upon information from developer, news articles and/or project announcements for projects under construction, announced or planned. For completed projects, information is actual unit mix and square footage. ³ Based upon 1) DCAD market value for completed projects (unless project has not yet been assessed) and 2) estimated DCAD value for projects under construction, planned or announced. ⁴ Tax exempt property, DCAD market value shown if available.						

TIF District Initiatives				
Activity	Scope	Status	Investment	Source
Cedars Traffic Study	Whole District	Complete	\$88,149	Cedars TIF funds
South Side Pedestrian Improvement Project (funded through a Sustainable Development Grant from NCTCOG using federal Congestion Mitigation and Air Quality funds (CMAQ))	South Lamar Street and Belleview Street	Complete	\$4,532,170	Federal grant
			\$500,000	1995 Bond funds (local match)
			\$66,521	Cedars TIF funds (approved in FY 2007)
			\$566,521	Matthews Southwest
			\$230,000	1998 Bond funds
			\$207,830	Cedars TIF funds / District-wide Improvements Set-aside (approved in FY 2012)
			\$207,830	Matthews Southwest (additional match)
Total:			\$6,399,021	

Mixed-Income Housing Summary

Successful development efforts support a variety of housing options. In 1992, when the Cedars TIF District was originally created, the City’s TIF Policy did not require Mixed-Income Housing as part of residential development. In 2005, the TIF Policy was amended to require a percentage of units in TIF-supported residential projects to be set aside as affordable. When the term of the District was extended in 2011, mixed-income housing became a requirement. Since 2011, twenty percent (20%) of all housing units in projects using direct, site-specific TIF funding assistance are subject to the City’s and County’s established criteria for mixed-income housing. In the Cedars TIF District, a total of 317 units were constructed with the support of TIF funding and, of these units, 164 (52%) are currently set-aside as affordable.

Mixed Income Housing Summary for Cedars TIF District	
Residential Units Created <i>(supported by TIF funds)</i>	317
Affordable Units Created by TIF Projects	164
Residential Units Created, Under Construction or Planned <i>(not supported by TIF funds)</i>	694
Total new units	1,011

Value and Increment Revenue Summary

The Cedars TIF District 1992 assessed taxable value was \$35,300,760. The District’s 2020 taxable value is \$310,217,128, as determined by the Dallas Central Appraisal District. This represents an increase of \$274,916,368 (820.3%) over the 1992 base year value.

The District’s value increased by \$61,658,077 (24.8%) from the previous year’s value (\$248,559,051). This increase in District value will result in the collection of approximately \$2,426,618 (City - \$1,902,758; County - \$505,859) in incremental revenue for the District in 2021.

Objectives, Programs and Success Indicators

The Project Plan and Reinvestment Zone Financing Plan was approved on April 9, 1997. The Plan has been amended three times, most recently on June 22, 2011. The defined development goals are summarized below:

- Improve the infrastructure within and adjacent to the District to promote new investment.

Projects that have contributed to the fulfillment of this goal are as follows:

- *On September 25, 2013, City Council approved up to \$441,225 in TIF funding for the Belleview Browder District-wide Improvements project. The project, which was completed during the 2012-2013 fiscal year, included the construction of several needed public improvements (franchise utility relocation, street lighting, street improvements, streetscape improvements and water-wastewater/drainage improvements) that were not included in the 1400 Belleview project's original scope of work. These improvements replaced sub-standard public infrastructure and provided much of the needed infrastructure to allow the redevelopment of approximately 6.05 acres of property that is adjacent to the project.*
- *On June 27, 2012, City Council approved up to \$207,830 in additional TIF funding to match up to \$207,830 in additional funding from Matthews Southwest for cost overruns related to the Southside Pedestrian Improvement project. City Council had previously approved \$66,521 in TIF funding for the project on May 23, 2007. This leveraged approximately \$5,098,691 in private and federal funds for sidewalk and streetscape improvements on South Lamar Street and along Belleview Street from the Convention Center to the Cedars DART station. The project was completed during FY 2013.*
- *On June 22, 2011, City Council approved up to \$1,657,916 in TIF funding for the 1400 Belleview project which included infrastructure improvements along Belleview Street from Browder Street to Akard Street, Gould Street from Belleview Street to Sullivan Street, and Browder Street from Belleview Street to Sullivan Street. The project was completed in 2015.*
- *On April 11, 2007, City Council approved up to \$192,000 in TIF funding for the Millers Ferry Row Town Homes project which included streetscape improvements along South Ervay Street. The project was completed during 2007.*
- *On August 9, 2006, City Council approved up to \$1,500,000 in TIF funding for The Beat at South Side Station project which included street and streetscape improvements on Belleview Street, Lamar Street, and Powhattan Street. The project was completed during 2009.*

- *On September 14, 2005, City Council approved up to \$564,462 in TIF funding for the Buzz Condominiums project which included street and streetscape improvements on South Akard Street and West Griffin Street. The project was completed during 2007.*

- Add 700 residential units

To date, 772 residential units have been added to the District, exceeding the goal. An additional 239 residential units are either under construction or planned for the District.

- Add 400 hotel/motel rooms

To date, 237 hotel rooms have been added to the District (59% of the goal).

- Add 55,000 square feet of retail space

To date, approximately 68,677 square feet of retail/restaurant space has been added to the Cedars TIF District, exceeding the goal.

Recent projects that contributed to the fulfillment of this goal are listed below:

- *In August 2017, Sandwich Hag opened at 1902 Lamar Street, a Vietnamese kitchen specializing in BÁNH MÌ sandwiches, adding approximately 630 square feet of restaurant space within in the District.*
- *In September 2017, Four Corners Brewery relocated to the Cedars area, adding approximately 47,358 square feet of entertainment and restaurant space within the District.*
- *In 2018, 7Eleven on South Lamar Street added approximately 3,500 square feet of retail within the District.*

- Add 300,000 square feet of service center/flex office space

To date, approximately 416,986 square feet of service center/flex office space has been added to the District, far exceeding the goal.

Significant projects that contributed to the fulfillment of this goal are listed below:

- *Dallas Police Association Headquarters added 11,150 square feet of office space.*
- *Resource One Credit Union's expansion added 13,430 square feet of office space.*
- *Dallas Police Headquarters added 358,758 square feet of office space.*

Year-End Summary of Meetings and Council Items

The Cedars TIF District Board of Directors met once during the fiscal year on January 13, 2020.

The Board of Directors consists of nine (9) members, including six (6) City of Dallas appointees, one (1) Dallas County appointee, one (1) Dallas Independent School District (DISD) appointee and one (1) Dallas County Hospital District (DCHD) appointee.

The TIF Board consisted of the following members during the fiscal year:

Michael J. Barrett, Chair and City appointee (attended 1 of 1 meeting)
Kendra Ramick, City appointee (attended 0 of 1 meeting)
Philip T. Robinson, City appointee (attended 1 of 1 meeting)
Darlene Schneider, City appointee (attended 1 of 1 meeting)
Veronica Simmons, City appointee (attended 0 of 1 meeting)
Mark R. Stephens, City appointee (attended 0 of 1 meeting)
Orlando Alameda, DISD appointee (attended 1 of 1 meeting)
Rick Loessberg, Dallas County appointee (attended 1 of 1 meeting)
Joe Mayer, DCHD appointee (attended 1 of 1 meeting)

The Dallas City Council approved four (4) items during the fiscal year related to the District:

On February 26, 2020, City Council approved Resolution No. 20-0333 accepting the FY 2018-2019 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Four, (Cedars TIF District), submitted by the Cedars 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 June 24, 2020, City Council approved Resolution No. 20-1176 authorizing (1) the City of Dallas (City) to enter into an additional note agreement with variable interest rate with the United States Housing and Urban Development Agency (HUD) for the deferral of principal payment on Section 108 loan B-12-MC-48-0009 due by the City to HUD on August 1, 2020 in the amount of \$504,000.00; (2)(a) an amendment to Resolution No. 15-0147, previously approved on January 14, 2015 related to the existing loan agreement between the City and HUD, to reflect this additional promissory note to the referenced Section 108 loan, related to the rehabilitation of a blighted vacant structure, now the Lorenzo Hotel (Hotel), and add any, and all the relevant terms and conditions imposed by HUD, including but not limited to the variable interest rate due quarterly to HUD on the \$504,000.00 additional note, (2)(b) an amendment to the agreement between the City and TEOF Hotel LP to reflect the equivalent amendment terms and conditions to this agreement as those referenced in (2)(a) between HUD and the City, given that the City had loaned the referenced Section 108 funds to TEOF Hotel LP for the referenced rehabilitation project, TEOF Hotel LP communicated that the Hotel will not be making the upcoming payment due to the City (principal payment of \$504,000.00

and interest of \$141,306.35) due to COVID-19 impact on the hotel industry; (3) an increase in appropriations in an amount not to exceed \$90,214.15 for interest on the additional note and any other relevant/pertinent note related costs; and (4) as repayments from TEOF Hotel LP are received, as per HUD's amended repayment schedule with the City, on the outstanding loan and additional promissory note; the City be authorized to receive, deposit and disburse those funds to repay the principal plus interest to HUD on the existing Section 108 loan B-12-MC-48-0009, and the additional related promissory note, any other related expenditures and any related terms and conditions imposed by HUD - Estimated Revenue: Program Income from TEOF Hotel LP or other TEOF Hotel LP Funds \$90,214.15.

On August 12, 2020, City Council approved Resolution No. 20-1292 authorizing (1) approval of the proposed South Side Public Improvement District ("District") 2021 Service Plan, 2020 Assessment Plan and 2020 Assessment Roll; (2) a public hearing to be held on September 9, 2020, to receive comments concerning the annual assessment for the District; and, at the close of the public hearing; (3) consideration of an ordinance levying a special assessment on property in the District, for services and improvements to be provided during 2021; fixing charges and liens against the property in the District and against the owners thereof; providing for the collection of the 2020 assessment; and providing an effective date

On September 9, 2020, City Council conducted a public hearing and approved Resolution No. 20-1366 authorizing (1) the proposed levy of assessment for the South Side Public Improvement District (District), in accordance with Chapter 372 of the Texas Local Government Code, for the purpose of providing supplemental public services to be funded by special assessments on property in the District; and, at the close of the public hearing: (2) authorize an ordinance approving and adopting the final 2021 Service Plan, the final 2020 Assessment Plan and the 2020 Assessment Roll (to be kept on file with the City Secretary); (3) establishing classifications for the apportionment of costs and the methods of assessing special assessments for the services and improvements to property in the District; (4) closing the public hearing and levying a special assessment on property in the District, for services and improvements to be provided in the District during 2021; (5) providing for reimbursement of city administrative costs for operational oversight of the District; (6) fixing charges and liens against the property in the District and against the owners thereof; (7) providing for the collection of the 2020 assessment; (8) authorizing the receipt and deposit of assessments from Dallas County; (9) authorizing the disbursement of assessments and interest to South Side Quarter Development Corporation; and (10) providing for an effective date - Not to exceed actual collections estimated at \$362,757.00.

Budget and Spending Status

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

Cedars TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget (Total Dollars)	Allocated	Balance
Infrastructure Improvements - Street Construction/Streetscape/Water/Wastewater/Drainage Improvements/East-West Corridor Construction/ Public Open Spaces/ Economic Development Grants	\$9,395,114	\$6,380,004	\$3,015,110
Environmental Remediation	\$3,114,507	\$0	\$3,114,507
Education/Educational Facility Improvements/Public Improvements Adjacent to Educational Facilities	\$4,671,761	\$0	\$4,671,761
Administration and Implementation**	\$1,121,223	\$1,057,519	\$63,704
Total Project Costs	\$18,302,604	\$7,437,523	\$10,865,081
<i>*Budget shown in current dollars as of September 30, 2020. TIF Project Plan shows the budget in 1992 NPV. **Administration and Implementation costs for FY 2020 are included in the above allocation.</i>			

Cedars TIF District Project Plan Budget	
Category	TIF Budget (NPV)
Infrastructure Improvements – Street Construction/Streetscape/Water/Wastewater/Drainage Improvements/East-West Corridor Construction/Public Open Spaces/Economic Development Grants	\$4,356,097
Environmental Remediation	\$1,000,000
Education/Educational Facility Improvements/Public Improvements Adjacent to Educational Facilities	\$1,500,000
Administration and Implementation	\$360,000
Total Project Costs	\$7,216,097
<i>All values discounted to 1992 dollars at 5.00% annually. Actual expenditures will depend on the timing of project costs.</i>	

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 supported projects. The BID Plan goal for TIF projects is 25 percent (25%) M/WBE participation in construction costs of completed public improvements.

Cedars TIF District M/WBE Participation			
Project	Contractor	Total M/WBE Contract Award	M/WBE Participation Percentage
The Beat – Private Improvements (Goal – 10%)	Varies	\$14,269,586	17.21%
The Beat – Public Improvements (Goal – 25%)	Varies	\$89,848	90.98%
1400 Belleview – Public Improvements (Goal – 25%)	Varies	\$1,657,916	69.55%
1400 Belleview – Private Improvements (Goal – 10%)	Varies	\$17,000,000	10.40%
Total		\$33,017,350	

FY 2020-2021 Work Program

The FY 2020-2021 Work Program for the Cedars TIF District includes:

- Approval of FY 2019-2020 Annual Report
- Complete audit of TIF projects completed within the District, if any, and make TIF payments to eligible projects in 2021
- Investigate early close out of the TIF District

Appendix A: Financials

City of Dallas, Texas
Cedars Tax Increment Financing District Fund
Balance Sheet as of September 30, 2020 (Unaudited)
With Comparative Totals for September 30, 2019, 2018, 2017, and 2016 (Audited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assets:					
Pooled cash and cash equivalents	\$4,782,531	\$3,381,176	\$3,109,387	\$2,383,947	\$2,344,223
Interest receivable	\$3,709	\$3,667	\$7,139	\$5,882	\$3,185
Total assets	<u>\$4,786,239</u>	<u>\$3,384,843</u>	<u>\$3,116,526</u>	<u>\$2,389,829</u>	<u>\$2,347,408</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$84,171	\$26,313	\$0	\$12,770	\$12,770
Accrued liability	\$0	\$0	\$0	\$0	\$0
Total liabilities	<u>\$84,171</u>	<u>\$26,313</u>	<u>\$0</u>	<u>\$12,770</u>	<u>\$12,770</u>
Fund Balance (Deficit):					
Fund Balance - Restricted	<u>\$4,702,068</u>	<u>\$3,358,529</u>	<u>\$3,116,525</u>	<u>\$2,377,058</u>	<u>\$2,334,637</u>
Total Liabilities and Fund Equity	<u>\$4,786,239</u>	<u>\$3,384,842</u>	<u>\$3,116,525</u>	<u>\$2,389,829</u>	<u>\$2,347,407</u>

City of Dallas, Texas
Cedars Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2020 (Unaudited)
With Comparative Totals for September 30, 2019, 2018, 2017, and 2016 (Audited)

	<u>ITD</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Tax increment-Governmental	\$7,696,005	\$1,380,556	\$1,064,886	\$701,950	\$528,406	\$482,036
Tax increment-Intergovernmental	\$3,782,016	\$377,174	\$282,553	\$161,506	\$166,819	\$104,125
Interest income	\$349,272	\$35,305	\$55,377	\$34,624	\$25,467	\$16,143
Grant from City	\$125,000	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	\$11,377	\$10,534	\$16,943	(\$8,473)	(\$7,362)	(\$408)
Total revenues	<u>\$11,963,670</u>	<u>\$1,803,569</u>	<u>\$1,419,760</u>	<u>\$889,606</u>	<u>\$713,330</u>	<u>\$601,897</u>
Expenditures:						
Administrative expenses	\$1,057,519	\$87,204	\$27,815	\$1,062	\$57,683	\$24,454
Non-Capital Outlay	\$2,494,380	\$372,827	\$1,149,940	\$149,078	\$613,226	\$0
Capital outlay	\$3,706,503	\$0	\$0	\$0	\$0	\$0
Interest and fiscal charges	\$3,472	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$7,261,874</u>	<u>\$460,031</u>	<u>\$1,177,756</u>	<u>\$150,139</u>	<u>\$670,909</u>	<u>\$24,454</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$4,701,795</u>	<u>\$1,343,539</u>	<u>\$242,004</u>	<u>\$739,467</u>	<u>\$42,421</u>	<u>\$577,444</u>
Fund balance (Deficit) at beginning of year as previously reported						
	\$0	\$3,358,529	\$3,116,525	\$2,377,058	\$2,334,637	\$1,757,194
Prior period restatement						
	\$272	\$0	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year, as restated						
	<u>\$272</u>	<u>\$3,358,529</u>	<u>\$3,116,525</u>	<u>\$2,377,058</u>	<u>\$2,334,637</u>	<u>\$1,757,194</u>
Fund balance (deficit) at end of year						
	<u>\$4,702,068</u>	<u>\$4,702,068</u>	<u>\$3,358,529</u>	<u>\$3,116,525</u>	<u>\$2,377,058</u>	<u>\$2,334,637</u>

Note: Fiscal year 2019-20 unaudited financial statements are based on preliminary close numbers and are subject to review by the City Controller's Office prior to approval by City Council. In case of any material changes, TIF board will be provided updated financial statements.

City of Dallas, Texas
 Cedars Tax Increment Financing District
 Reinvestment Zone Number Five
 As of September 30, 2020

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:

\$45,839	Interest Income
\$1,757,730	Ad Valorem Taxes (Collected in FY'2019-20 based on 2019 Final Tax Roll)
\$1,803,569	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$87,204	Administrative Expense - TIF admin costs FY2018-2019 (\$45,935) & FY2019-2020 (\$41,269)
\$372,827	Non-Capital Outlay
\$0	Capital outlay
\$0	Additional Subsidy in Form of Grant (in lieu of interest expense)
\$460,031	Total Expenditures

Non-Capital Outlay expenditures includes:
 Final reimbursement of grant to TEOF Plaza Hotel \$372,827.

3. Amount of Principal and Interest due-on outstanding bonded indebtedness is as follows:
 Cedars TIF District has incurred no bonded indebtedness as of September 30, 2020.

4. The Zone has entered into an agreement with CMAQ for the sustainable development on Lamar street under a grant of \$66,521 with completion in 2017.

5. The Zone entered into an agreement with 1400 Belleview GP, LLC to dedicate an amount not to exceed \$441,225 for the Belleview Browder District-wide Improvements project. Reimbursement of its TIF-eligible project costs began in fiscal year 2014 and was fully reimbursed during fiscal year 2015 from available TIF funds.

6. The Zone entered into an agreement with TEOF Hotel LLC to dedicate an amount not to exceed \$2,285,071 for the Plaza Hotel project. Reimbursement of up to \$1,000,000 for the project's public infrastructure improvements will be made pursuant to an approved monthly draw schedule and/or submission of invoices for completed work, subject to the availability of TIF funds. After the project's completion, the reimbursement of \$1,285,071 for TIF-eligible project costs will be made in five annual payments of \$257,014, subject to the availability of TIF funds. The Project payments as of September 30, 2020 are as follows:

	Principal	Accrued Add'l Subsidy ¹	Less Payments	Total Outstanding
Project - TEOF Plaza Hotel	\$2,285,071	\$0	\$2,285,071	(\$0)
Total	\$2,285,071	\$0	\$2,285,071	(\$0)

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

7. City Council authorized a development agreement with Dallas County Heritage Society, Inc. ("DCHS") for the restoration of the Park Avenue and Rail Houses located at 1515 South Harwood Street (Dallas Heritage Village Project) in an amount not to exceed \$650,000 payable in the form of a grant from existing and/or future Cedars TIF District Funds.

8. Tax increment base and current captured appraised value retained by the Zone:

Taxing Jurisdictions	Taxable Value 2020	Base Year 1992 Value	Est. Captured Value 2020*
City of Dallas	\$310,217,128	\$35,300,760	\$274,916,368
Dallas County	\$316,638,502	\$35,300,760	\$281,337,742

* Based on Certified Tax Values. Final values will be determined on February 1, 2021

9. 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 Jurisdictions	Assessment Per \$100	Amount of Estimated 2020 Increment
City of Dallas	0.69867	\$1,920,758
Dallas County	0.17981	\$505,859
Total for all Jurisdictions	\$0.87848	\$2,426,618

B. The total amount of estimated tax increment to be billed for the 2020 tax year is \$2,426,618.

C. For the 2019 tax year, the Zone collected \$1,757,730 in increment.

City of Dallas, Texas
Cedars Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2020
(Unaudited)

1. The measurement focus used for the 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 provides for staffing and other administrative expenses by the City of Dallas not to exceed \$1,187,237 (in current \$) over the life of the Zone. The City began billing the Zone for administrative costs in FY 1999. 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 no advances outstanding as of September 30, 2020.
6. "Due to general fund" amount of \$84,171 at September 30, 2020 represents the TIF administration costs for the fiscal year 2018-2019 (\$45,935) and fiscal year 2019-2020 (\$38,236) that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF funds. These administrative costs do not include billing to other City departments.
7. All project costs resulting in capital improvements that are owned by the City are capitalized by the City.

Appendix B: Financial Obligations/Estimated Payoff

The Dallas Heritage Village project is the only outstanding developer obligation for the District. The obligation will be reimbursed with available TIF funds upon completion of the City’s post-construction audit and in accordance with the project’s development agreement.

Cedars TIF Obligations			
Developer	Project Name	TIF Award	Pay-Off Date
Dallas County Heritage Society, Inc	Restoration of Park Avenue House and Rall House at Dallas Heritage Village	\$650,000	2022

Appendix C: District-Wide Set-Aside Funds

The TIF Increment Allocation Policy adopted by the TIF Board for the Cedars TIF District currently provides for 10% of annual District increment, after administrative expenses, to be set-aside for District-Wide Improvements. To date, approximately \$1,204,734 has been collected and is available for expenditure.

Specific improvement projects are to be determined and the amount of this set-aside will be reviewed annually based on updated financial projections and District needs. The TIF Board shall also have the discretion to release all or part of District-Wide Set-Aside funds towards reimbursement of one or more TIF eligible projects.

The original intent was to use these cash reserves to leverage other funding (grants, bonds, private) to meet TIF objectives. Potential uses of the funds based on stakeholder and TIF Board input over the last several years include:

- Completion of Belleview Extension
- Heritage Village streetscape improvements
- Park and open space improvements
- Streetscape – sidewalk, pedestrian lighting, landscape/irrigation