

Exhibit A
Cypress Waters TIF District
FY 2016
Annual Report



City of Dallas

Office of Economic Development
1500 Marilla Street, 2CN
Dallas, Texas 75201
(214) 670-4551

www.dallas-ecodev.org/redevelopment

October 1, 2015 to September 30, 2016

Reinvestment Zone Number Nineteen Cypress Waters Tax Increment Financing District

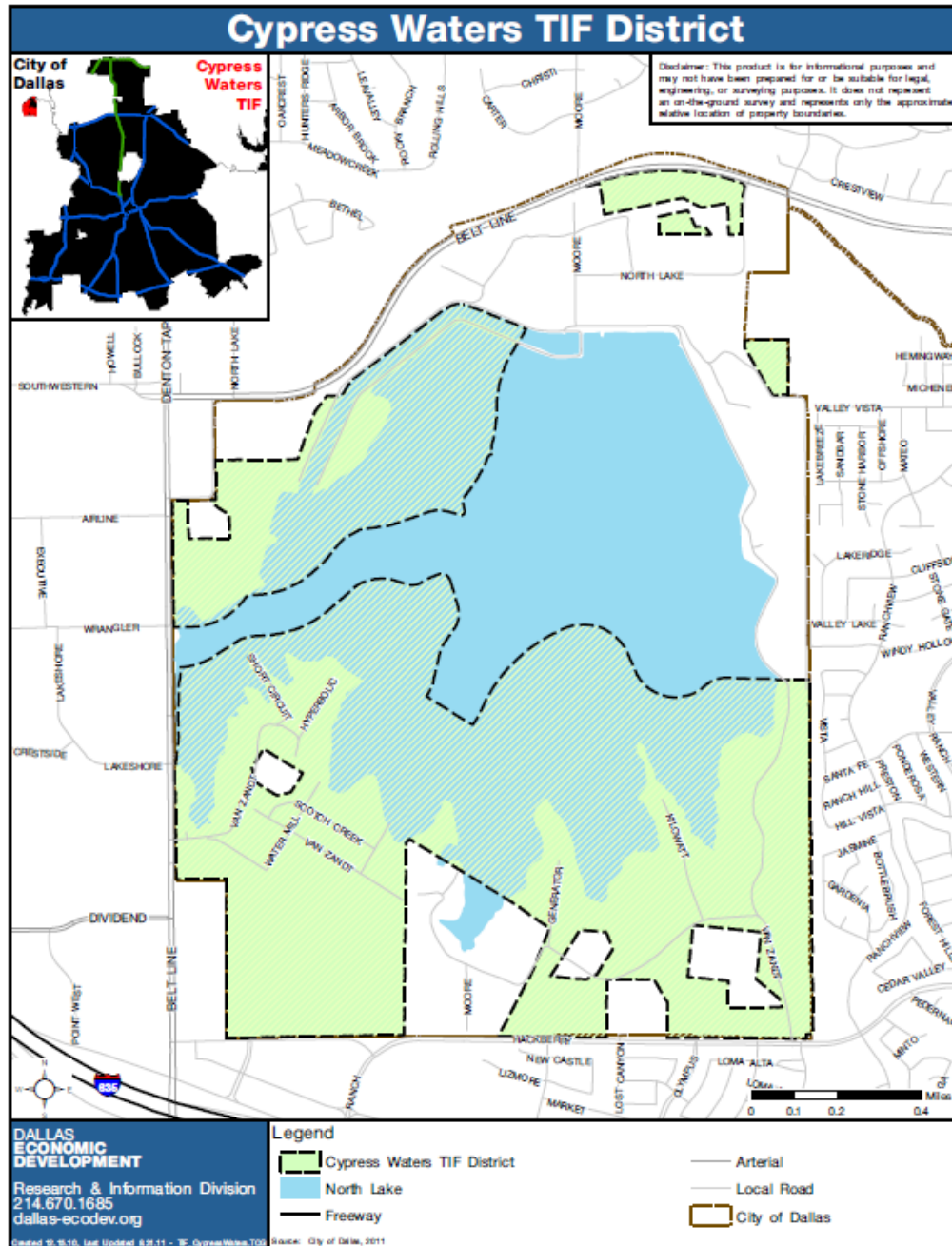


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Mission Statement

The Cypress Waters Tax Increment Financing (TIF) District (the “District”) represents the outgrowth of the City of Dallas’ effort to provide a model for supporting the development of land near DFW Airport and to take full advantage of the planned expansion of the DART light rail system along the Cotton Belt Line.

The Cypress Waters TIF District was established on December 8, 2010, to encourage the initial development of a large tract of undeveloped land within the City of Dallas (approximately 1,661 acres in total) surrounding North Lake. This district will promote the creation of pedestrian-oriented, traditional neighborhood development (TND) containing multifamily and residential development, a potential senior housing component, pedestrian-oriented retail development, offices, and additional commercial development.

The Dallas City Council established the Cypress Waters TIF District by Ordinance Number 28074 on December 8, 2010. The Cypress Waters District began collecting funds on January 1, 2012, and it is scheduled to terminate on December 31, 2040 (including collection of the 2040 increment in calendar year 2041 and any related matters to be concluded in 2041) or when the full budget has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City started to participate at 85% in 2012. The County’s participation will be 55% from 2014 to 2033 or until the County’s participation reaches its budget limit of \$10,500,000.

In 2015, Council amended the district’s Final Plan to remove approximately 28 acres on the northern end of the district, making the estimated new base \$71,317. Council also reduced the budget to \$25,779,665. The new budget provided for Cypress Waters Phases 1 and 2 TIF infrastructure projects, construction of a temporary public safety building within the district, a budget line item for a future permanent public safety building, administration expenses, and funding to support a proposed interlocal agreement with Irving to more efficiently provide water service to the district.

District Accomplishments

Projects Completed within the District During FY 2016

Parsons Green II – a 141 residential unit townhome project completed construction during the fiscal year.



9001 Cypress Waters Blvd. – a 215,520 square foot, single tenant building began construction in 2015 and completed during FY 2016. OneSource Virtual Inc. will relocate and expand its operations to Cypress Waters. Serving as the companies U.S. headquarters, by 2019 there will be 1,300 employees at the facility.



3001 Hackberry Rd – a 327,183 square foot single tenant building also completed construction during the fiscal year and will be the corporate headquarters of CoreLogic. The corporate campus is expected to house 1,800 employees.



Projects Starting or Continuing Construction within the District During FY 2016

9111 Cypress Waters Blvd – a 217,000 square foot office building began construction during the fiscal year. Construction will complete in 2017 and the office building is expected to house 1,000 employees.



9797 Rombauer Rd. – a 250,000 square foot office building that will serve as Signet’s Corporate Campus began construction during FY 2016. Anticipated completion is in 2017 and the building will house approximately 1,300 employees.



9121 Watermill Rd. – a 31,000 square foot office building that will serve as Signet’s Repair Center also began construction in 2016. Anticipated completion is in 2017 and the building will house approximately 150 employees.



The Wharf – Construction of a 296 residential unit multifamily project began during the fiscal year. Construction completion in 2017.



Bleeker Street - Construction of a 243 residential unit multifamily project also began during the fiscal year. Construction completion in 2017.



Projects Within the Cypress Waters TIF District Utilizing TIF Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Cypress Waters Phase 1 Public Infrastructure Improvements	Cypress Waters Blvd. & Chapel Oaks Dr., northeast of Belt Line and Hackberry Rd.	2014	Complete	N/A	N/A	\$9,757,267*
Parsons Green I <i>Supported by Phase 1 Public Improvement Project</i>	3451 Chapel Oaks Dr.	2014	Complete	65 res. Units	\$12,800,000	\$0
Scotch Creek <i>Supported by Phase 1 Public Improvement Project</i>	3155 Chapel Oaks Dr. 3211 Scotch Creek Rd.	2014	Complete	608 res. units	\$52,894,560	\$0
Sycamore Park <i>Supported by Phase 1 Public Improvement Project</i>	9240 Cypress Waters Blvd.	2014	Complete	Included in Scotch Creek	\$14,105,440	\$0
Parson's Green II Townhomes	3451 Chapel Oaks Dr.	2016	Complete	141 res. units	\$23,814,428	\$0
Cypress Waters Phase 2 Public Infrastructure Improvements	Cypress Waters Blvd. and Saintsbury St.	2015 and 2021	Complete	N/A	N/A	\$6,522,398*
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8950 Cypress Waters Blvd.	2015	Complete	175,585 sf office	\$30,285,000	\$0
Multi-Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8951 Cypress Waters Blvd.	2015	Complete	187,710 sf office	\$25,575,000	\$0
Multi-Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	8840 Cypress Waters Blvd.	2015	Complete	166,140 sf office	\$21,175,000	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	9001 Cypress Waters Blvd.	2016	Complete	214,520 sf office	\$36,093,132	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	3001 Hackberry Rd	2016	Complete	327,183 sf office	\$74,354,000	\$0
Single Tenant Office Bldg <i>Supported by Phase 2 Public Improvement Project</i>	9111 Cypress Waters Blvd.	2017	Under Construction	217,000 sf office	\$45,337,000	\$0
Signet Campus	9797 Rombauer Rd.	2017	Under Construction	250,000 sf office	\$49,150,000	\$0
Signet Repair Center	9121 Watermill Rd.	2017	Under Construction	31,000 sf office	\$7,000,000	\$0
The Wharf	9555 Wharf Rd.	2017	Under Construction	296 residential units	\$55,790,000	\$0
Bleecker Street	3333 Bleecker St.	2017	Under Construction	243 residential units	\$41,300,000	\$0

Single-Tenant Office Building	3000 Olympus Blvd.	2018	Planned	216,000	\$60,000,000	\$0
Multi-Tenant Office Building	3100 Olympus Blvd.	2019	Planned	250,000	\$70,000,000	\$0
Subtotal				1,353 units 1,877,138 sf office	\$619,673,560	\$16,279,665*

¹ All information updated as of September 30, 2016.

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) approx. private investment for projects planned or under construction; 2) private investment stated in the development agreement for projects that are approved and/or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed).

⁴ Principal amount not to be exceeded per the development agreement. TBD indicates that development agreement has not yet been adopted. Asterisk indicates investment also includes interest not shown.

Notes:

- Dallas Water Utilities has committed over \$2.2 million to water and wastewater infrastructure improvements within the district.
- Residential projects Parson's Green I & II, Scotch Creek and Sycamore Park provide at least 20% of residential units as affordable, meeting mixed income guidelines for the District.

Value and Increment Revenue Summary

The Cypress Waters TIF District's adjusted base tax value for 2010 was \$71,437. This base value reflects final adjusted 2010 values for parcels in the District. The District's 2016 assessed tax value, as determined by the Dallas Central Appraisal District, was \$190,407,036. This represents an increase of approximately \$190,335,696 (266,438%) over the assessed value of the base year (2010) value.

The district's value increased by \$62,440,430 (49%) from the previous year's value (127,966,606). This increase in district value will result in the collection of approximately \$1,520,458 in incremental revenue for the District (City - \$1,265,970; County - \$254,4882). The final amount of increment collected may increase as roll back taxes for 2016 are paid.

Objectives, Programs, and Success Indicators

The final Cypress Waters Project Plan and Reinvestment Zone Financing Plan was adopted on June 8, 2011. In 2015, the District's Project and Reinvestment Zone Financing Plan was amended and two of the development goals and objectives were revised to reflect a decrease in the budget for the District. The amended goals are in bold. Specific actions addressing each goal and objective follow in italics.

- Create additional taxable value attributable to new private investment in projects in the Cypress Waters TIF District totaling approximately ~~\$2.2 billion~~ **\$1.5 billion** over the thirty-year life of the TIF district.

The district has seen an increase in value of approximately \$190 million, (or 1.3% of amended goal) from a combination of agricultural exemption being removed from some parcels and completed private development within the District.

- Attract new private development, including approximately 10,000 new residential units, 4,000,000 square feet of commercial space (including approximately 700,000 square feet of data center use and 2,000,000 square feet of light warehouse/industrial use), and an estimated 150,000 square feet of pedestrian-oriented retail space, all of which are anticipated to create an estimated 9,000 on-site jobs.

Three residential development projects supported by Phase 1 public infrastructure improvements completed December 2014, adding 673 multi-family units to the District (including 135 affordable units). Construction of an additional 141 residential units, as part of Phase II of the Parson's Green development, completed during the 2016 fiscal year. In total, approximately 814 residential units (inclusive of approximately 163 affordable units) have completed within the District. Construction of an

additional 539 residential units began in 2016. Approximately 1,353 residential units have completed or begun construction within the District representing 14% of the housing goal.

Two office buildings completed construction in 2016 and three office buildings began construction during the fiscal year. In total approximately 1,411,138 square feet of office space has completed or begun construction within the District, representing 35.3% of the commercial space goal.

- To improve ridership on DART via the planned expansion along the Cotton Belt Line.

The master plan for the district includes development adjacent to the planned Cotton Belt Station on the north side of the district.

- Improve recreational opportunities for the community and the future residents within the TIF district via extensive, publicly accessible green space on the site along the lake edge and along power line easements, in addition to multiple parks, hike and bike trails, and pedestrian connections throughout the district. Additional open space may be available through the utilization of Coppell ISD land and as part of an MMD and/or TIF-funded public amenity center.

The Phase 1 development installed wide sidewalks leading to the adjacent power line easement and to a future connection to the lake trail.

The Phase 2 development installed a combination cycle track and pedestrian path along Cypress Waters Boulevard and three large green spaces in the district.

Dallas County's current five-year plan includes \$2,500,000 in 2017 and \$2,500,000 in 2018 in support of five miles of trails from Irving's Champion Trail into Cypress Waters. Upon completion, this would provide a continuous 12-mile trail from Cypress Waters to the Las Colinas Urban Center.

- Create a model for exceptional development standards in terms of its complexity, scope, design, environmental sensitivity, and connectivity.

The private development and public infrastructure improvements completed with Cypress Waters Phases 1 and II projects is a model for dense, pedestrian-oriented development on under-utilized, infill property.

On August 13, 2012, the board approved the Urban Design Guidelines for Projects Located in City of Dallas Tax Increment Financing Districts.

The City Design Studio reviewed design for the Phase 2 public and private development, which provided pedestrian and bicycle connectivity between the housing, commercial, and recreational space.

Coppell Independent School District opened Richard J. Lee Elementary School in the fall of 2014. Lee Elementary is the first net-zero elementary school in the state of Texas. The campus includes daylight harvesting, rainwater collection, and geothermal heating and cooling.

- Develop the property in a manner where fiscal impacts for the remainder of the City are limited and a development pattern is secured that is a net benefit to the City from a fiscal, land use and community standpoint.

Cypress Waters is in a location outside of currently accessible City services. As part of the Phase 1 TIF project, the developer constructed temporary facilities for police and fire service. A lease for the building was approved by Council in December 2014.

Private development within the district includes new office space providing potential jobs to Cypress Waters residents and additional housing options.

A proposed Phase 3 agreement, which incorporates potential cooperation with the City of Irving on a new water tower, will save the City and the district nearly \$14 million.

- Generate an NPV of ~~\$65 million~~ **\$26 million** or approximately ~~\$160 million~~ **\$52 million** in total dollars in projected TIF revenues over the 30-year life of the district.

City participation in TIF increment collections began in tax year 2012. As of the end of the 2016 fiscal year approximately \$3.4 million in TIF revenue has been generated, representing 12.9% of the district's amended goal.

Year-End Summary of Meetings and Council Items

The Cypress Waters TIF District Board of Directors met one (1) time during the 2016 fiscal year (October 1, 2014 to September 30, 2015): December 21, 2015

The Board of Directors consists of seven (7) members, including six (6) City of Dallas appointees and one (1) Dallas County appointee. During FY 2016, the Cypress Waters TIF Board consisted of the following members:

Mary Poss, City appointee and chairperson (Attended 1 of 1 meetings)
Veletta Lill, City appointee and vice chairperson (Attended 1 of 1 meetings)
Elizabeth Solender, City appointee (Attended 1 of 1 meetings)
Dr. Jose Gomez, City appointee (Attended 1 of 1 meetings) – appointment ended July 2016
David Pittman, City appointee (Attended 1 of 1 meetings) – appointment ended July 2016
Vacant, City appointee
Vacant, City appointee (as of July 2016)
Vacant, City appointee (as of July 2016)
Rick Loessberg, Dallas County appointee (Attended 0 of 1 meetings)

During fiscal year 2016, the City Council approved eight (8) items directly or indirectly associated with the Cypress Waters TIF District. The Council actions are listed below:

- On December 9, 2015, Council approved Ordinance No. 29949 and Resolution No. 15-2233 abandoning a drainage easement to Logic Land, LTD, the abutting owner, containing approximately 1,393 square feet of land, located near the intersection of Cypress Waters Boulevard and Saintsbury Street - Revenue: \$5,400, plus the \$20 ordinance publication fee.
- On December 9, 2015, Council approved Resolution No. 15-2241 authorizing a Chapter 380 economic development grant agreement with OneSource Virtual, Inc., in an amount not to exceed \$800,000 for the relocation and expansion of its U.S. headquarters to a new office facility at 9001 Cypress Waters Boulevard, in Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$800,000 - Financing: Public/Private Partnership Funds
- On February 24, 2016, Council approved Resolution No. 16-0347 accepting the FY 2015 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nineteen, (Cypress Waters TIF District), submitted by the Cypress Waters 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 24, 2016, Council approved Ordinance No. 30027 and Resolution No. 16-0378, conducted a public hearing and granted an amendment to the development and landscape plans on property zoned Subarea A-2 of Planned Development District No. 741 at the west corner of Saintsbury Street and Cypress Waters Boulevard.
- On April 27, 2016, Council approved Resolution No. 16-0671 authorizing a Chapter 380 economic development grant agreement with Zale Delaware, Inc. (“Zale”), a wholly-owned subsidiary of Signet Jewelers Limited (“Signet”), in an amount not to exceed \$450,000 for the relocation and expansion of its operating headquarters to a new build-to-suit office facility and an associated new build-to-suit jewelry repair facility within the Cypress Waters development in the City of Dallas, pursuant to the Public/Private Partnership Program - Not to exceed \$450,000 - Financing: Public/Private Partnership Funds.
- On August 10, 2016, Council approved Resolution No. 16-1255 authorizing Authorize the City Manager to enter into a Treated Water Service Contract, approved as to form by the City Attorney, with the City of Irving for treated water service for Dallas' portion of the West Cell Development - Not to exceed \$106,832 - Financing: Water Utilities Current Funds (subject to annual appropriations).
- On August 10, 2016, Council approved Resolution No. 16-1256 authorizing the City Manager to enter into a Wastewater Service Contract, approved as to form by the City Attorney, with the City of Irving for wastewater service for Dallas' portion of the West Cell Development - Not to exceed \$14,878 - Financing: Water Utilities Current Funds (subject to annual appropriations).
- On August 10, 2016, Council approved Ordinance No. 30161 and Resolution No. 16-1257 adopting a boundary adjustment agreement with the City of Irving on property located south of the terminus of South Northlake Road and northwest of the intersection of Valley Vista Drive and Lakebreeze Road (within the West Cell Development).

Budget and Spending Status

Each TIF district, in their Project Plan and Reinvestment Zone Financing Plan, establishes a budget for public improvement expenditures necessary to support private investment in the district. The District's budget was reduced in 2015. The amended budget and spending status is shown below.

Cypress Waters TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget	Allocated	Balance
Public infrastructure improvements	\$44,957,206	\$16,279,665	\$28,677,541
Public safety improvements	\$4,332,943	\$0	\$4,332,943
Administration and implementation**	\$3,045,150	\$222,601	\$2,822,549
Total project costs	\$52,335,300	\$16,502,266	\$35,833,034
<i>*Budget shown above in current dollars, updated yearly; TIF Project Plan shows the budget in net present value. Values above do not include interest payments.</i>			
<i>**Administration and implementation costs for FY 2016 are included in the above allocation.</i>			

Cypress Waters TIF District Project Plan Budget (NPV, 2010 dollars)	
Category	TIF Budget*
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$18,279,665
Public safety	\$6,000,000
Administration and implementation	\$1,500,000
Total project costs	\$25,779,665
<i>* As approved in the Final Project Plan and Reinvestment Zone Financing Plan.</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 reimbursed projects. The BID Plan goal for TIF projects is 25 percent M/WBE participation in construction costs.

Cypress Waters TIF Project M/WBE Participation <small>(completed projects only)</small>					
Project	Total Construction Contract Amount	Local M/WBE Amount	Non-Local M/WBE Amount	Total M/WBE Participation	Total M/WBE Participation Percentage
Cypress Waters Phase I	\$9,301,593	\$914,998	\$1,077,591	\$1,992,589	21%
Cypress Waters Phase II	\$6,273,789	\$695,260	\$552,087	\$1,247,346	20%
Totals	\$15,575,382	\$1,610,258	\$1,629,678	\$3,239,936	21%

FY 2017 Work Program

Pending items for the Cypress Waters TIF District include:

- Adoption of FY 2016 Annual Report
- Encourage development projects within the district in accordance with the final Project Plan and Reinvestment Zone Financing Plan.

Appendix: Financials

City of Dallas, Texas
Cypress Waters Tax Increment Financing District Fund
Balance Sheet as of September 30, 2016 (Unaudited)
With Comparative Totals for September 30, 2015, 2014, 2013, and 2012 (Audited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assets:					
Pooled cash and cash equivalents	\$1,846,660	\$712,405	\$133,609	\$0	\$0
Interest receivable	\$1,680	\$908	\$162	\$0	\$0
Total assets	<u>\$1,848,340</u>	<u>\$713,313</u>	<u>\$133,771</u>	<u>\$0</u>	<u>\$0</u>
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$0	\$0
Due to general fund	\$112,097	\$112,097	\$112,097	\$112,097	\$74,874
Total liabilities	<u>\$112,097</u>	<u>\$112,097</u>	<u>\$112,097</u>	<u>\$112,097</u>	<u>\$74,874</u>
Fund Balance (Deficit):					
Fund Balance (Deficit)	\$1,701,627	\$601,217	\$21,674	(\$112,096)	(\$74,874)
Total Liabilities and Fund Equity	<u>\$1,813,724</u>	<u>\$713,313</u>	<u>\$133,771</u>	<u>\$0</u>	<u>\$0</u>
	(\$34,616)	\$0	\$0	(\$0)	\$0

Cypress Waters Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2016 (Unaudited)
With Comparative Totals for September 30, 2015, 2014, 2013, and 2012 (Audited)

	<u>ITD</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Tax increment-Governmental	\$1,660,179	\$955,735	\$548,572	\$155,557	\$314	\$0
Tax increment-Intergovernmental	\$250,362	\$171,003	\$79,359	\$0	\$0	\$0
Interest income	\$11,917	\$8,088	\$3,304	\$524	\$1	\$0
Net increase (decrease) in fair value of investments	\$1,771	\$202	\$1,583	(\$14)	\$0	\$0
Total revenues	<u>\$1,924,228</u>	<u>\$1,135,027</u>	<u>\$632,818</u>	<u>\$156,067</u>	<u>\$316</u>	<u>\$0</u>
Expenditures:						
Administrative expenses	\$222,601	\$34,617	\$53,276	\$22,297	\$37,537	\$20,737
Non-Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Capital outlay	\$0	\$0	\$0	\$0	\$0	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	<u>\$222,601</u>	<u>\$34,617</u>	<u>\$53,276</u>	<u>\$22,297</u>	<u>\$37,537</u>	<u>\$20,737</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$1,701,627</u>	<u>\$1,100,410</u>	<u>\$579,542</u>	<u>\$133,770</u>	<u>(\$37,222)</u>	<u>(\$20,737)</u>
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$601,217	\$21,674	(\$112,096)	(\$74,874)	(\$54,138)
Fund balance (Deficit) at beginning of year, as restated	<u>\$0</u>	<u>\$601,217</u>	<u>\$21,674</u>	<u>(\$112,096)</u>	<u>(\$74,874)</u>	<u>(\$54,138)</u>
Fund balance (deficit) at end of year	<u>\$1,701,627</u>	<u>\$1,701,627</u>	<u>\$601,217</u>	<u>\$21,674</u>	<u>(\$112,096)</u>	<u>(\$74,874)</u>

Note: Fiscal year 2015-16 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
Cypress Waters Tax Increment Financing District Fund
Reinvestment Zone Number Nineteen
As of September 30, 2016

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:

\$8,289 Interest Income	
\$0 Affordable housing payment	
\$1,126,738 Ad Valorem Taxes (Collected in FY'2015-16 based on 2015 Final Tax Roll)	
\$1,135,027	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$34,617 Administrative Expense	
\$0 Additional Subsidy in Form of Grant (in lieu of interest expense)	
\$34,617	Total Expenditures

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

Cypress Waters TIF District has incurred no bonded indebtedness as of September 30, 2016.

b. The Zone has entered into a development agreement with Billingsley LD, Ltd for the Cypress Waters Phase I development in an amount not to exceed \$9,757,267 plus additional subsidy in form of grant (in lieu of interest). Reimbursement to the developer will begin in fiscal year 2017 with pay-off anticipated in several years upon availability of TIF funds.

c. The Zone has entered into a development agreement with Billingsley LD, Ltd for the Cypress Waters Phase II development in an amount not to exceed \$6,522.398, plus a additional subsidy in the form of a grant (in lieu of interest). Reimbursement to the developer will begin upon completion of reimbursement payments to Billingsley, LD, Ltd for Cypress Waters Phase I, subject to the availability of TIF funds.

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

Taxing Jurisdiction	Taxable Value 2016*	Base Year 2010 Value	Est. Captured Value 2016**
City of Dallas	\$190,407,036	\$71,437	\$190,335,599
Dallas County	\$190,407,036	\$71,340	\$190,335,696

*Taxable value shown for participating taxing jurisdictions. County will begin participating in tax year 2014 and the values will vary slightly from the City value due to different exemption levels.

**Based on Certified Taxable Value. The final values will be determined on February 01, 2017.

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	Amount of Assessment Estimated 2016 Per \$100*** Increment***	
City of Dallas	0.66513	\$1,265,970
City of Dallas-2015 PH I Rollback Taxes	0.00000	\$0
Dallas County	0.13371	\$254,488
Dallas County-2015 PH I Rollback Taxes	0.00000	\$0
Total for all Jurisdictions	\$0.79883	\$1,520,458

***Participation rates for City of Dallas and Dallas County are 85% for tax years 2012 to 2034 and 55% for tax years 2014 to 2033 respectively.

B. The total amount of estimated tax increment to be billed for the 2016 tax year is \$1,520,458. For 2015 tax year, the Zone received increment of \$1,126,738.

City of Dallas, Texas
Cypress Waters Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2016

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 \$2,065,585 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. "Due to general fund" amount of \$112,097 at September 30, 2016 represents the TIF administration costs that have been earned but will be reimbursed to the General Fund in future years based on the availability of TIF funds.