

Vickery Meadow TIF District FY 2016 Annual Report



(Source: Northwood Retail, LLC)



City of Dallas

Office of Economic Development
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October 1, 2015 to September 30, 2016

Reinvestment Zone Number Nine Vickery Meadow Tax Increment Financing District

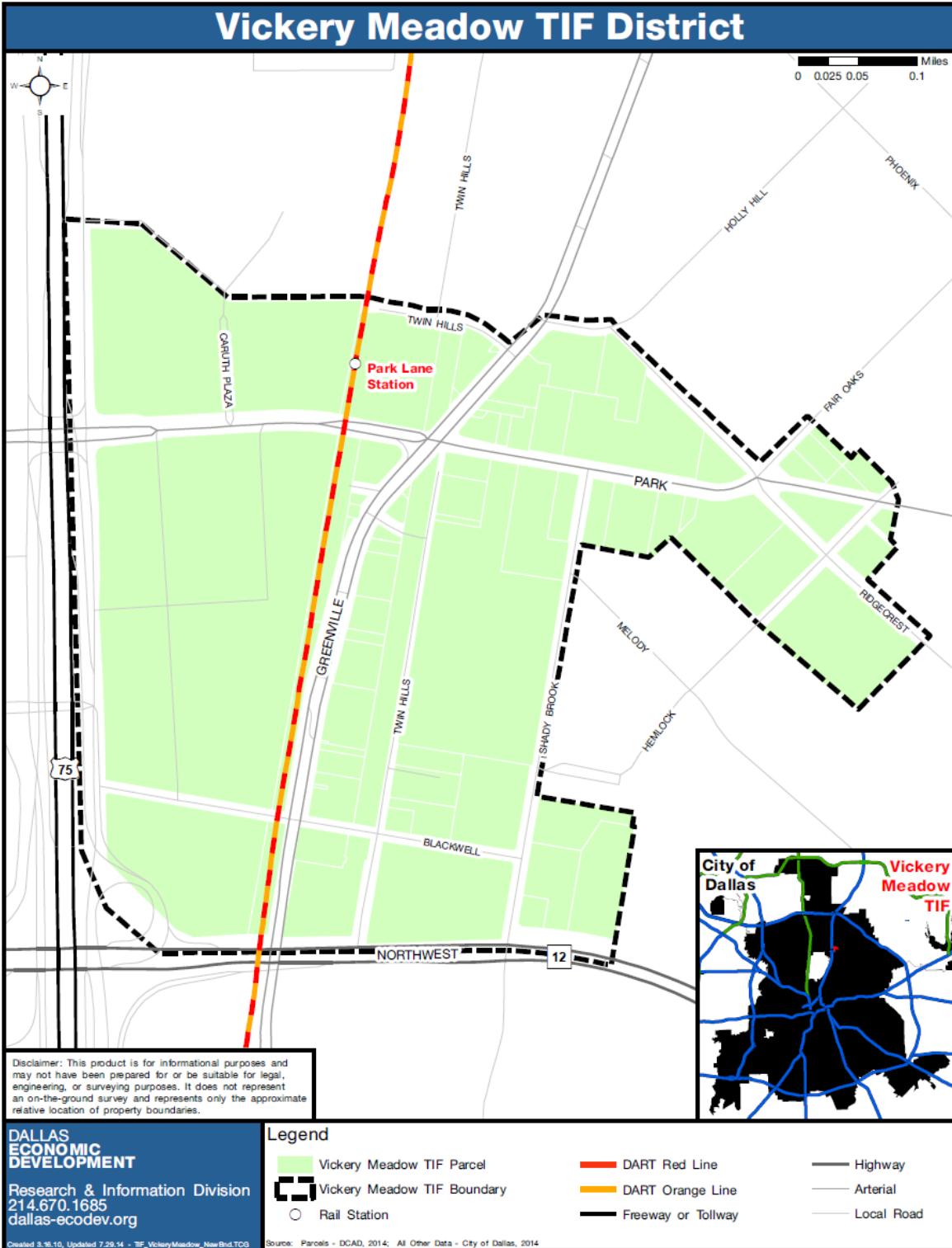


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Mission Statement

The mission of the Vickery Meadow TIF District is to provide a source of funding to enhance private investment in the real estate market for the Vickery Meadow TIF District area. The Vickery Meadow Tax Increment Financing (TIF) District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping functionally and structurally obsolete commercial and rental residential areas within a district to take full advantage of the DART light rail system, promote transit oriented development and implement context sensitive urban design standards.

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

District Accomplishments

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

In FY 2016, F21 Red, Francesca's, and Carlen's Luxury Optical opened stores in The Shops at Park Lane. And another three expected retail stores to open by FY 2017. These openings for Northwood Retail, LLC achieve the following lease rates:

- Retail space – 95.0% leased
- Office space – 100.0% leased
- Resident space – 96.0% leased

Sales activity at The Shops at Park Lane continues to be strong as most of its retailers perform in the top 20% of their national sales averages.

Northwood Retail, LLC also completed the construction of a five story, Class A mixed-use development (Block A) during FY 2015. Its build-out includes approximately 35,000 square feet of retail space, 122,000 square feet of office space, 176 parking spaces (100 underground and 76 surface parking) and a 10,000 square foot community park.

Block A is the first component of The Shops at Park Lane’s second phase. The Shops Hotel pad site is still available (adjacent to Block E) as is the 2-acre parcel on Block A North. There are no current active development plans for those two sites. Construction of 179 apartments on the second residential component at Galleries of Park Lane began leasing at end of 2016, in total will consist of 246 apartments.



Galleries at Park Lane Apartments
(Source: Northwood Retail, LLC)

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



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

Past, Current and Anticipated Projects

Projects Within TIF District Utilizing TIF Funding ¹						
Project	Location	Status	Year Complete	Units/Square Feet ²	Approximate Investment/ Assessed Value ³	TIF Investment ⁴
“The Shops at Park Lane” Phase I	SE corner of Park Lane and Central Expressway	Phase I construction is complete	2009	325 apartment units; 554,000 square feet* of retail space; 97,000 square feet of office space; and parking structures	\$221,650,000 (assessed value)	\$20,000,000**
Half Price Books Mixed-use Project Phase II	6730 Shady Brook Lane	Planned	TBD	Approximately 6,184 square feet of retail/ 10,000 office space	\$626,910 (assessed value) \$3,100,000 (approximate planned investment)	TBD
Library Mixed-use Project (Acacia Apartments' former site)	8255 Park Lane	Planned	TBD	TBD	\$1,575,800 (assessed value)	TBD
Total				325 apartment units; 560,184 square feet of retail/restaurant space; 107,000 square feet of office space; a parking structures	\$223,852,710 (assessed value) \$3,100,000 (approximate planned investment)	\$20,000,000
<p>¹ All information updated as of September 30, 2016.</p> <p>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.</p> <p>³ Based upon 1) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF District for redevelopment projects once pre-existing value and/or the demolition of structures is netted out.</p> <p>⁴ Principal amount not to be exceeded per the development agreement.</p>						

Projects Within TIF District That Are Not Utilizing TIF Funding¹						
Project	Location	Status	Year Complete	Units/Square Feet²	Approximate Investment/ Assessed Value³	TIF Investment
"The Shops at Park Lane" Phase II	SE corner of Park Lane and Central Expressway	The construction of Phase II's second component- 179 units (Block E) completed.	Block A & E 2015, 2016	246 apartment units; approximately 35,000 square feet of retail space; approximately 122,000 square feet of office space; 176 parking spaces and a 10,000 square foot community park	\$39,971,230 (assessed value)	\$0
			Block E & A: TBD	Hotel Pad (E) and 2-ac A North yet to be developed	(approximate planned investment TBD)	
Half Price Books Mixed-use Project Phase I	5929 and 5905 East Northwest Highway	Phase I Complete	2015	Approximately 34,296 square feet of retail space, and Starbucks location	\$8,620,220 (assessed value)	\$0
DART Park Lane light rail station (Red and Orange Lines)	8169 Park Lane	Complete	1997	1,200 parking spaces	\$3,836,900 (assessed value)	\$0
Total				246 apartment units; 69,296 square feet of retail/restaurant space; 122,000 square feet of office space; 1376 parking spaces; and 10,000 square feet of open green space	\$52,428,350 (assessed value)	\$20,000,000

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) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF District for redevelopment projects once pre-existing value and/or the demolition of structures is netted out.

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

Value and Increment Summary

The Vickery Meadow TIF District's 2016 assessed taxable value was \$434,323,020. This represents an increase of \$269,543,930 (163.6%) over the 2005 base year value and an increase of \$43,230,607 (11.1%) over the taxable value for 2015. The increase over the previous year's taxable value is largely attributed to appreciation of properties at The Shops at Park Lane (\$22,859,740) and Half Priced Books (\$9,247,130). With the participation of the City and Dallas County, the increase over the base year value will result in FY 2016 collection of approximately \$2,040,582 in total incremental revenue for the District.

Objectives, Programs and Success Indicators

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

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

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

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

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

- *Approximately 623,296 square feet of retail and restaurant space has been built while an additional 6,184 is planned. Collectively, this represents 73.3% of the goal.*
- *0 hotel rooms have been built or are planned (0.0% of the goal)*
- *571 residential units have been built offering various types of housing for sale and rental at the Shop of Park Lane. Collectively, this represents 91% of the goal.*
- *219,000 square feet of office space has been built and another 16,453 square feet is being planned or converted into office space (57% of the goal).*

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

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

- Generate additional taxable value totaling approximately \$322 million as a result of new private investment projects within the TIF District.

The FY 2016 taxable value for The Shops at Park Lane and Half-Priced Books was \$270,868,360. (84% of the goal).

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

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

- *Staff is working with DART and Northwood Retail, LLC to identify potential funding for the construction of a pedestrian platform that would extend from the light rail station to the south side of Park Lane.*
- *Pedestrian connection improvements for the Park Lane Station and its surrounding vicinity were studied but remain unfunded.*
- *Staff is investigating improved pedestrian connections between Park Lane and NorthPark Center.*

- Increase commuters’ use of the DART Park Lane light rail station from 2,183 passengers per weekday in 2007 to 3,500 passengers by 2012.

During the fiscal year the Park Lane light rail station serviced approximately 2,361 riders per weekday. Although this is a decrease of 194 riders (8%) below the approximate 2,555 riders that were serviced per weekday during FY 2015, it represents an increase of 192 riders (9%) over the 2,169 riders that used the station during FY 2007. Accordingly, staff will continue to work with DART to increase the station’s daily ridership and monitor the progress of public improvements that are made within the station’s surrounding area.

- Generate approximately \$32.2 million (2006 NPV) in increment over a 20-year period.

This increase has generated approximately \$10,749,597 in incremental revenue since the District’s creation (20.5% of the goal).

Year-End Summary of Meetings

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

- Gay W. Donnell – City Representative (attended meeting)
- Brian Driesse – City Representative (attended meeting)
- Michon Fulgham – Chair and City Representative (attended meeting)
- Jake Golvach – City Representative (attended meeting)
- Douglas J. Lattner – City Representative (attended meeting)
- Rick Loessberg – Dallas County Representative (attended meeting)
- Raj Narayanan – City Representative (attended meeting)

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

- On February 24, 2016, the City Council approved Resolution Number 16-0337, accepting the FY 2015 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Nine, (Vickery Meadow TIF District), submitted by the Vickery Meadow TIF District's Board of Directors, and authorizing the City Manager to submit the annual report to the Chief Executive Officer of each taxing jurisdiction that levies taxes on real property in the District, and to the State Comptroller, as required by state law - Financing: No cost consideration to the City.

Pending TIF Items

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

- Approval of the FY 2016 Annual Report
- Provide support as warranted for the redevelopment of the vacant site at 8255 Park Lane to include a Library

Budget and Spending Status

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

Vickery Meadow TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget ¹	Allocated ²	Balance
"Park Lane" Project: Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non-project costs	\$32,653,946	\$32,653,946	\$0
Five-Points Area Improvements: Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non-project costs	\$16,326,973	\$0	\$16,326,973
Administration and Implementation³	\$3,583,934	\$314,575	\$3,269,359
Total Project Costs	\$52,564,853	\$32,968,521	\$19,596,332
¹ Budget shown above in total dollars; TIF Project Plan shows the budget in net present value.			
² Allocated amount includes any interest accrued as of September 30, 2016. Additional interest of approximately \$8.5 million is expected to accrue prior to final payment and categories impacted are shown with an *.			
³ Administration and Implementation amount shown is through FY 2016 and includes \$50,000 for District audits through 2012 and \$2,500 for consultant fees.			

Vickery Meadow TIF District Project Plan Budget	
Category	TIF Budget (NPV)*
"Park Lane" Project: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, enhanced pedestrian area design & acquisition, engineering & design, non-project costs	\$20,000,000
Five-Points Area Improvements: - Environmental remediation, interior/exterior demolition, street/utility improvements & relocation, streetscape improvements, land acquisition, park/plaza design & acquisition, DART related improvements, engineering & design, non-project costs	\$10,000,000
Administration and implementation	\$2,195,100
Total	\$32,195,100
* As approved in the Project Plan and Reinvestment Zone Financing Plan in 2006 dollars. ** Budget is for the 20-year term of the District.	

Vickery Meadow TIF District Affordable Housing Set-aside		
Budget*	Allocated	Balance
\$1,000,000	\$445,000	\$555,000
* Funds deposited in the Vickery Meadow TIF District Tax Increment Fund by Harvest NPE, L.P. to support the development of affordable housing within the District in lieu of the developer constructing affording housing units as part of The Shops at Park Lane Project.		

FY 2017 Work Program

The FY 2017 work program for the Vickery Meadow TIF District is as follows:

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

Appendix A – Financials

City of Dallas, Texas						
Vickery Meadow Tax Increment Financing District						
Reinvestment Zone Number Nine						
As of September 30, 2016						
Chapter 311.016 of V.C.T.A. requires the following						
as part of the annual report on the status of the TIF District.						
Information is contained in detail on the						
financial statements.						
1. Amount and source of revenue in the tax increment fund established for the zone:						
\$7,971	Interest Income					
\$0	Affordable housing payment					
\$1,743,581	Ad Valorem Taxes (Collected in FY'2015-16 based on 2015 Final Tax Roll)					
\$1,751,553	Total Revenue					
2. Amount and purpose of expenditures from the fund:						
\$20,535	Administrative Expense					
\$8,600	Non-Capital Outlay (1)					
\$784,623	Principal retirement					
\$922,377	Additional Subsidy in Form of Grant (in lieu of interest expense)					
\$1,736,135	Total Expenditures					
(1) These expenditures were incurred for the following services:						
	TIF annual audit		\$8,600			
	Other		\$0			
	Total		\$8,600			
3. The Zone began reimbursing the General Fund for administrative costs in fiscal year 2009-10.						
4. a. Amount of Principal and Interest due-on outstanding bonded indebtedness is as follows:						
Vickery Meadow TIF District has incurred no bonded indebtedness as of September 30, 2016.						
b. The zone has reimbursed the following contingent obligations from available TIF funds as of September 30, 2016:						
	<u>Developer</u>	<u>Project</u>	<u>Advance Principal</u>	<u>Accrued Add'l Subsidy (1)</u>	<u>Less Payments</u>	<u>Total Outstanding</u>
	Northwood PL Holdings, LLC	The Shops at Park Lane	\$20,000,000	\$7,937,806	(\$10,032,410)	\$17,905,397
	Total		\$20,000,000	\$7,937,806	(\$10,032,410)	\$17,905,397
Reimbursement of the project's outstanding TIF-eligible project costs are subject to the availability of TIF funds.						
(1) Additional Subsidy in Form of Grant (in lieu of interest expense)						

5. Tax increment base and current captured appraised value retained by the zone:					
			Taxable	Base Year	Est. Captured
	Taxing Jurisdiction		Value 2016*	2005 Value	Value 2016*
	City of Dallas		\$434,323,020	\$164,779,090	\$269,543,930
	Dallas County		\$434,323,020	\$170,131,750	\$264,191,270
*2016 Taxable value shown for participating taxing jurisdictions. County values are approximate and will vary slightly from the City value due to different exemption levels.					
**Based on DCAD Certified Taxable Value. The final values will be determined on February 01, 2017.					
6. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality:					
A. Estimated tax increment shared by the municipality and other participating taxing jurisdictions:					
				Assessment	Amount of
				Per \$100***	Estimated 2016
		Taxing Jurisdiction			Increment***
		City of Dallas		0.62600	\$1,687,345
		Dallas County		0.13371	\$353,237
		Total for all Jurisdictions		\$0.75971	\$2,040,582
***Participation rates for City of Dallas and Dallas County are 80% and 55% respectively for tax years 2008 - 2027.					
B. The total amount of estimated tax increment to be billed for the 2016 tax year is \$2,040,582. For the 2015 tax year, increment in the amount of \$1,743,581 was received.					
7. Independent audits of the TIF for fiscal years 2007, 2008, 2009, 2010, 2011, and 2012, as approved by the board in an amount not to exceed 50,000, were completed by Grant Thornton LLP, the City's external auditors. Total cost for the audits was \$34,900. The balance of the approved funds were used for an audit of fiscal year 2013. The TIF Board approved an additional amount of \$20,000 for the audit of fiscal years 2014 and 2015. Audits for fiscal years 2013, 2014 and 2015 were conducted by Grant Thornton LLP.					

City of Dallas, Texas						
Vickery Meadow 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)						
		2016	2015	2014	2013	2012
Assets:						
Pooled cash and cash equivalents		\$716,249	\$680,407	\$669,670	\$1,146,374	\$1,103,841
Interest receivable		\$963	\$852	\$740	\$771	\$2,737
Total assets		\$717,212	\$681,259	\$670,410	\$1,147,145	\$1,106,578
Liabilities and Fund Balance (Deficit):						
Liabilities:						
Accounts and contracts payable		\$0	\$0	\$0	\$0	\$0
Due to general fund		\$13,625	\$13,625	\$13,625	\$13,625	\$0
Total liabilities		\$13,625	\$13,625	\$13,625	\$13,625	\$0
Fund Balance (Deficit):						
Fund Balance (Deficit)		\$683,052	\$667,634	\$656,785	\$1,133,520	\$1,106,578
Total Liabilities and Fund Equity		\$696,677	\$681,259	\$670,410	\$1,147,145	\$1,106,578
		(\$20,535)	\$0	\$0	\$0	\$0

City of Dallas, Texas						
Vickery Meadow Tax Increment Financing District Fund						
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)						
For the Period September 30, 2016 (Unaudited)						
With Comparative Totals for September 30, 2015, 2014, 2013, and 2012 (Audited)						
	ITD	2016	2015	2014	2013	2012
Revenues:						
Tax increment-Governmental	\$8,691,608	\$1,441,253	\$1,199,674	\$1,211,882	\$1,109,114	\$1,159,842
Tax increment-Intergovernmental	\$1,760,988	\$302,329	\$237,223	\$246,736	\$195,403	\$239,953
Interest income	\$94,243	\$8,449	\$4,862	\$3,470	\$2,556	\$6,723
Affordable housing payment	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	\$996	(\$477)	\$1,539	(\$639)	(\$2,367)	(\$136)
Total revenues	\$11,547,835	\$1,751,553	\$1,443,298	\$1,461,449	\$1,304,706	\$1,406,382
Expenditures:						
Administrative expenses	\$314,574	\$20,535	\$38,249	\$43,184	\$29,356	\$31,828
Non-Capital Outlay	\$517,800	\$8,600	\$10,200	\$445,000	\$10,000	\$19,100
Capital outlay	\$0	\$0	\$0	\$0	\$0	\$0
Principal retirement	\$2,348,339	\$784,623	\$404,412	\$485,793	\$219,413	\$409,302
Interest and fiscal charges	\$7,684,070	\$922,377	\$979,588	\$964,207	\$1,018,996	\$953,698
Total expenditures	\$10,864,783	\$1,736,135	\$1,432,449	\$1,938,184	\$1,277,765	\$1,413,928
Excess (Deficiency) of Revenues over Expenditures	\$683,052	\$15,418	\$10,849	(\$476,735)	\$26,942	(\$7,546)
Fund balance (Deficit) at beginning of year as previously reported	\$0	\$667,634	\$656,785	\$1,133,520	\$1,106,578	\$1,114,124
Fund balance (Deficit) at beginning of year, as restated	\$0	\$667,634	\$656,785	\$1,133,520	\$1,106,578	\$1,114,124
Fund balance (deficit) at end of year	\$683,052	\$683,052	\$667,634	\$656,785	\$1,133,520	\$1,106,578
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.						

Notes to Financials

City of Dallas, Texas

Vickery Meadow 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 \$2,195,100 over the life of the TIF to reimburse the City for administrative costs. The Zone began reimbursing the general fund in fiscal year 2009-10. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.
5. The TIF entered into a development agreement with a developer on December 14, 2005 to reimburse the developer for TIF eligible costs up to principal amount of \$20.0 million plus accrued interest thereon, at an interest rate of 4.86%, for the construction of the Park Lane Project. The developer satisfied all contingencies as required by the terms of the agreement and the liability for the principal amount of \$20.0 million plus the accrued interest was recorded in fiscal year 2008-09. The TIF began reimbursing the developer in fiscal year 2009-10. The developer obligation balance, including principal and accrued interest, outstanding at September 30, 2016 is \$17,905,397.
6. "Due to general fund" amount of \$13,625 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.