

**WHEREAS**, the City recognizes the importance of its role in local economic development initiatives and programs; and

**WHEREAS**, the City has established Tax Increment Financing Reinvestment Zone Number Ten, ("Southwestern Medical TIF District" or "District") and established a Board of Directors for the District to promote development or redevelopment in the Southwestern Medical area pursuant to Ordinance No. 25965, authorized by the City Council on April 27, 2005, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

**WHEREAS**, on January 11, 2006, the City Council authorized the Project Plan and Reinvestment Zone Financing Plan for the Southwestern Medical TIF District by Ordinance No. 26204, as amended; and

**WHEREAS**, the Tax Increment Financing Act specifies that the governing body of a city shall submit an annual report on the financial status of the district to the chief executive officer of each taxing unit that levies taxes on real property in a reinvestment zone, and a copy of the report shall be forwarded to the Attorney General and the State Comptroller; and

**WHEREAS**, on December 7, 2009, the Southwestern Medical TIF District Board of Directors passed a motion accepting the FY 2009 Annual Report for Tax Increment Financing Reinvestment Zone Number Ten and recommending approval of same by the City Council.

**NOW, THEREFORE,**

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

**Section 1.** That the FY 2009 Annual Report for Tax Increment Financing Reinvestment Zone Number Ten, City of Dallas, Texas, as of September 30, 2009, a copy of which is attached hereto (**Exhibit A**), and is hereby accepted.

**Section 2.** That the City Manager is hereby authorized to submit the FY 2009 Annual Report for Tax Increment Financing Reinvestment Zone Number Ten, to the chief executive officer of each taxing jurisdiction that levies taxes on real property in the District; and to the Attorney General of Texas, and the State Comptroller, as required by state law.

February 10, 2010

**Section 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution:           Office of Economic Development – Tenna Kirk, 5CS  
                              Office of Economic Development – Sajid Safdar, 2CN  
                              Office of Economic Development – Vasavi Mallena, 2CN  
                              City Attorney's Office – Barbara Martinez  
                              City Attorney's Office – Sarah Hasib

APPROVED BY  
CITY COUNCIL

FEB 10 2010

  
City Secretary

## An aerial, black-and-white photograph of a city. In the foreground, a large, curved, multi-story building complex, possibly a university or government installation, is prominent. It features many windows and is surrounded by trees and smaller buildings. A road or railway line runs alongside the complex. In the background, a dense city skyline with various skyscrapers is visible under a cloudy sky. The overall scene depicts a major urban center with a mix of modern and older architecture.

January 27, 2005 Motor Street Aerial View Remarks Download



**First Worthing\***



Greenway Investment Company

**Southwestern Medical District TIF Study**  
Dallas, Texas



**City of Dallas**

Office of Economic Development  
1500 Marilla Street, 2CN  
Dallas, Texas 75201  
(214) 671-9821

<http://www.dallas-ecodev.org>.

**October 1, 2008 to September 30, 2009**

## Reinvestment Zone Number Ten Southwestern Medical Tax Increment Financing District



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## **Mission Statement**

The mission of the Southwestern Medical Tax Increment Financing District is to provide a source of funding for public infrastructure improvements anticipated to enhance the real estate market for the Southwestern Medical TIF District area. The Southwestern Medical TIF District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping a former industrial and warehouse district to take full advantage of the expanding DART light rail system, to promote transit oriented development, especially in areas that are major employment centers like the Medical District, and to implement appropriate urban design standards.

The Dallas City Council established the Southwestern Medical TIF District by Ordinance Number 25965 on April 27, 2005 and amended by Ordinance Number 27433 on December 10, 2008. The Southwestern Medical District took effect on January 1, 2006 and is scheduled to terminate on December 31, 2027 (including collection of the 2027 increment on calendar year 2028 and any related matters to be concluded in 2028) or when the budget of \$18.4 million (2006 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions; The City's participation is 0% in 2006 and 2007, and increased to 80% in 2008 and thereafter, and the County's participation is 0% in 2006 and 2007, and increased to 55% in 2008 and thereafter.

## **Southwestern Medical TIF District Accomplishments**

The economic catalyst for the Southwestern Medical TIF District will be the "Cityville at Southwestern Medical" project. FirstWorthing completed the first phase of this transit oriented development, including approximately 45,000 square feet of retail/ office space and 278 apartment units near the future DART Southwestern Medical District/Parkland light rail station. The designs of this project and its connection to the DART station, which will be located on the north side of Medical District Drive, are important elements for the success of the redevelopment effort. Total private investment for this development project was approximately \$25 million.

FirstWorthing, after completing the first phase, sold their remaining land holdings to Trammel Crow Residential Development (TCR) and Ronald McDonald House. The Alexan Project by TCR is a residential, transit oriented development, and includes 396 luxury apartments. The project is comprised of approximately 377,816 square feet of residential space, located at 2034 Medical District Drive and 4805 Bengal Street. The private investment for the project is estimated approximately \$46.9 million.

Adjacent to the Alexan project, Ronald McDonald House constructed 60 units of low-cost, temporary lodging/dorm facilities for families with children receiving medical care, totaling approximately 64,000 square feet of space, located at 4707 Bengal Street.

At the corner of Redfield Street and Butler Street, Amarone L.P., is planning to develop The Butler project. The development will include new construction of 468 apartments and 5,020 square feet of retail space. The estimated total development cost for the project is \$61 million.

Parkland Health and Hospital System, University of Texas Southwestern Medical Center, and Children's Medical Center have all moved forward with expansion plans during this fiscal year.

Parkland Hospital own 21.5% of the land within the district, approved a campus plan to guide the hospital's development. The plan calls for the development of new hospital facilities between Harry Hines Boulevard and Maple Avenue north of Medical District Drive. These new hospital facilities will be located around the planned Southwestern Medical District/Parkland DART light rail station. In the coming year, Parkland plans to develop an implementation strategy for this plan.

UT Southwestern Medical Center and Children's Medical Center, located just outside of the district, are planning significant expansion within the next decade. In addition to the recent expansion of the main hospital and completion a new surgery center, Children's expects to complete a third tower at the main hospital, new radiology facilities, and a new Ambulatory Care Pavilion over the next three years.

UT Southwestern Medical District is constructing Biocenter on a 13 acre land at the northeast corner of Inwood Road and Redfield Street. BioCenter project provides a venue adjacent to UT Southwestern for biomedical companies that are engaged in research, development, marketing and small-scale manufacturing of goods and services in the biomedical industry. Biocenter project is designed to help commercialize university technology and draw biotechnology companies to North Texas.

DART Green Line expansion (NW corridor) is underway. The Southwestern Medical District/Parkland light rail station is under construction and expected to be open in December 2010. Total private development in the Southwestern Medical TIF District is expected to exceed \$103 million. Listed below are the projects in the Southwestern Medical TIF District at various stages of development.

Total private development in the Southwestern Medical TIF District is expected to exceed \$103 million. Listed below are the projects in the Southwestern Medical TIF District at various stages of development.



*Parkland DART Light Rail Station-under construction*



*Cityville at Southwestern Medical*





*Cityville – Retail*



*Cityville – Retail*



*Cityville Townhomes*



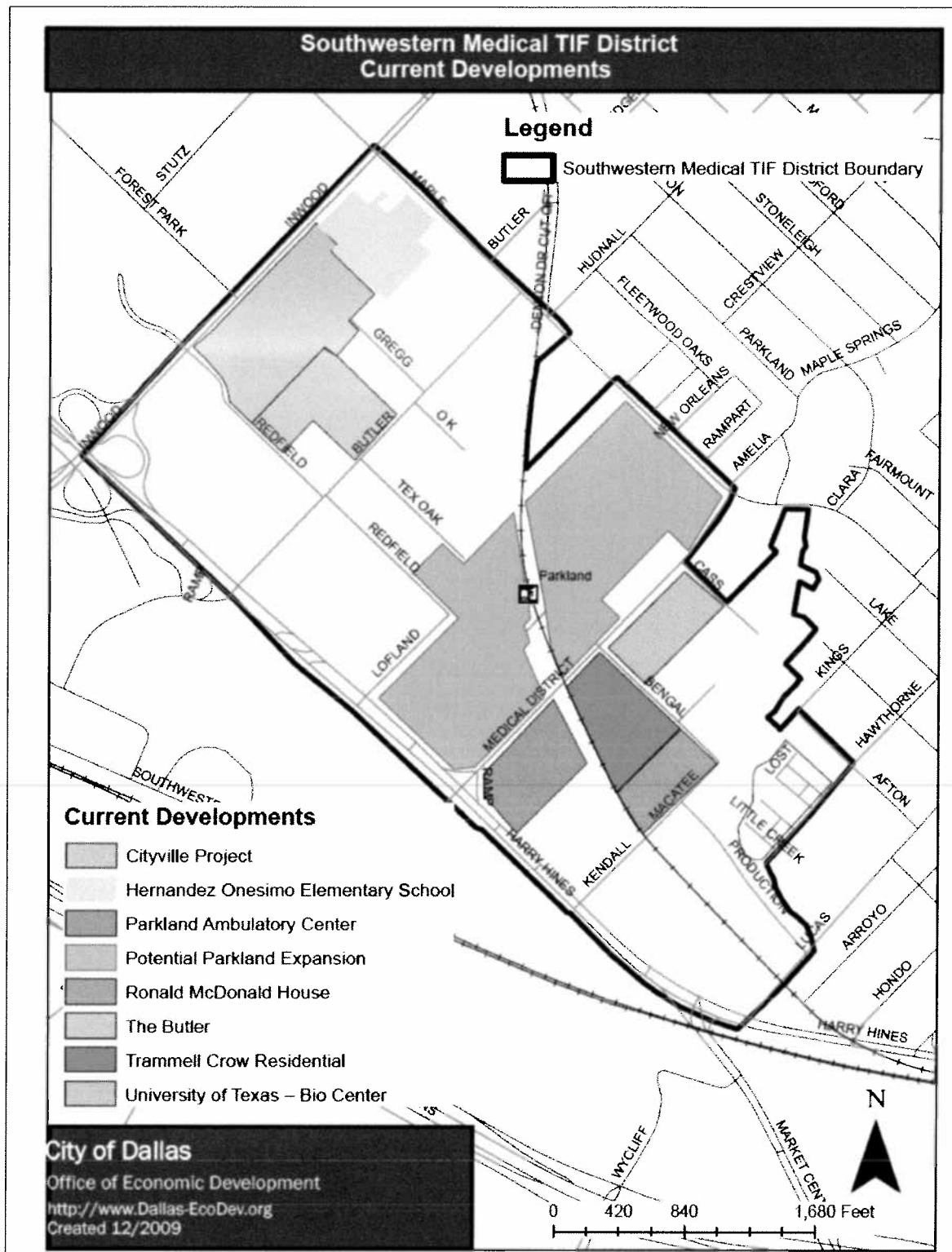
*Parkland Ambulatory Center at Harry Hines Boulevard and Medical District Drive*



*Ronald McDonald House*



*Alexan Project*



Southwestern Medical TIF District Projects <sup>1</sup>						
Projects Within TIF District Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF <sup>2</sup>	Approx. Value <sup>3</sup>	TIF Investment <sup>4</sup>
Cityville at Southwestern Medical Phase I	2222 Medical District Drive	2007	Complete	278 res. units; 45,000 SF retail	\$25,045,040	\$1,770,000
The Butler	2241 Butler Street	2011	Planned	468 res. units; 5,000 SF retail	\$61,000,000	\$6,530,000
Subtotal				746 res. units; 50,000 SF retail	\$86,045,040	\$8,300,000
Projects Within TIF District Not Utilizing TIF Funding <sup>5</sup>						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value	TIF Investment
Parkland Ambulatory Center <sup>6</sup>	Harry Hines Boulevard and Medical District Drive	2006	Complete	62,267 SF medical office	\$20,487,430	\$0
Alexan Project by Trammell Crow Residential	4805 Bengal Street	2009	Complete	396 units	\$18,798,960	\$0
Ronald McDonald House <sup>6</sup>	4707 Bengal Street	2009	Complete	64,000 SF lodging for 60 families	\$4,814,380	\$0
Subtotal				62,267 SF medical office, 64,000 SF of lodging and 396 units completed.	\$44,100,770	\$0
Projects Utilizing and Not Utilizing TIF Funding						
Total				Completed: 1,142 res. units; 50,000 SF retail; 62,267 SF medical office and 61,000 SF lodging.	\$130,145,810	\$8,300,000
<sup>1</sup> All information updated as of September 30, 2009. <sup>2</sup> 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. <sup>3</sup> Based upon 1) market value of comparable projects for anticipated projects, 2) private investment stated in the development agreement for projects that are approved or under construction, or 3) DCAD market value for completed projects (unless project has not yet been assessed). Values may not be fully captured by the TIF district for redevelopment projects once pre-existing value and/or the demolition of structures is netted out.						

<sup>4</sup> *Principal 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.*

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

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

## Value and Increment Revenue Summary

The Southwestern Medical TIF District encompasses approximately 245.7 acres. The base value is the total appraised value of all taxable real properties in the Southwestern Medical TIF District as determined by the Dallas Central Appraisal District in the certified roll for 2005 and 2008. For the base value calculation purpose, the Southwestern Medical District is divided into Zone A (original boundary) and Zone B (additional parcels added by the boundary amendment). The base value for Zone A was \$20,936,690 and Zone B was \$46,474,364. The District's assessed 2009 tax value for Zone A was \$72,301,220 and Zone B was \$49,177,599, an increase of \$54,067,765 over the base year values. This property value change represents 80% increase (Zone A: 245.3%, Zone B: 5.8%) from the base year values and \$9,433,515 (or) 8.4% (Zone A: \$6,730,280 (10.3%), Zone B: \$2,703,235 (5.8%)) over 2008 tax value. From the inception of the district, in Zone A, approximately, 72% of the increment is from the new construction and 28% from the general appreciation. The total 2009 increment revenue collected in 2010 is expected to be \$391,329. The actual construction that occurred in 2009 will be reflected on the 2010 tax roll.

## Objectives, Programs, and Success Indicators

The final Southwestern Medical Project Plan and Reinvestment Zone Financing Plan was adopted in January 2006 and amended in December 2008. Among the goals of the Plan are:

- Additional taxable value attributed to new private investment in projects in the Southwestern Medical TIF District shall total approximately \$280 million.

*Projects underway within the district will contribute approximately \$104.8 million (37.4% of goal) in additional taxable value.*

- New private development in the Southwestern Medical TIF District shall add a total of approximately 200,000 square feet of retail/office space and at least 1,500 new apartment units.

*Projects underway within the district will contribute a minimum of 112,267 square feet of retail/medical office space (56% of goal) and 1,142 additional residential units (76% of goal).*

- Ridership at the future DART Parkland light rail station shall average 4,000 - 5,000 riders per weekday by 2015.

*At this time, the NW Corridor light rail line is under construction. The Southwestern Medical District/ Parkland light rail station is estimated to be opened by December 2010.*

- Improve the access and connections to the DART light rail system within the Southwestern Medical TIF District.

*The construction of the Southwestern Medical District/Parkland light rail stations is currently underway. Staff and the Board will continue to foster working relationships with Parkland, DART, and potential developers to encourage access and connections to this rail station. The Cityville at Southwestern Medical project includes streetscape improvements along Medical District Drive and Bengal Streets.*

- Support the conversion of the Southwestern Medical area from industrial and warehousing land uses to a mixed-use, transit oriented neighborhood that complements the Medical District.

*Staff and the Board will continue to foster a working relationship with Parkland, DART, and potential developers to encourage transit oriented development that complements the district. The Cityville at Southwestern Medical project, Alexan project has resulted in the conversion of former industrial and warehousing uses to residential and retail uses.*

- Increase recreational opportunities and improved connections to the City of Dallas trails and open space system in the Southwestern Medical Area.

*Staff and the Board will seek ways to increase recreational opportunities and trail connections during the upcoming fiscal year.*

- The Southwestern Medical TIF District will generate approximately \$18.4 million in increment over 20 years.

*The assessed property value from the base year to 2009 for the Zone A increased by two hundred and forty-five percent, more than initially projected. The district started collecting the increment from this year and it is estimated that the district will generate \$18.4 million (in 2006 dollars) before the TIF expires in 2027.*

- Support the growth of the private bio-medical industry associated with area hospitals and schools.

*Staff and the Board will continue to foster a working relationship with UT Southwestern Medical Center, Children's Hospital and Parkland Hospital to create investment opportunities in the District.*



## Year-End Summary of Meetings

During the fiscal year, the Southwestern Medical TIF District Board of Directors met five times on: October 24, 2008; December 1, 2008; April 30, 2009; June 30, 2009 and August 3, 2009. The Board approved and forwarded three items to City Council.

The Board can consist of up to ten members, including six City of Dallas appointees, one Dallas Independent School District appointees, one Dallas County appointee, one Dallas Community College District appointee, and one Dallas County Hospital District appointee. During FY 2009 the Board members were (FY 2009 Board meetings attended): Richard Brown – City Representative (5 of 5 meetings), Alexia Griffin – City Representative (5 of 5 meetings), Lily Mak – City Representative (4 of 5 meetings), Ross Sherwood Martin – City Representative (4 of 5 meetings), William Bond – City Representative (2 of 2 meetings – a new Board member), Rick Loessberg – Dallas County Representative (2 of 5 meetings), Orlando Alameda – DISD Representative (4 of 5 meetings) and Walter Jones – Hospital District Representative (5 of 5 meetings).

During the fiscal year, the City Council approved eight items associated with the Southwestern Medical TIF District:

- On October 22, 2009, the City Council approved Resolution No. 08-2869, authorized an increase in the contract with Ed Bell Construction Company for reconstruction of street paving, drainage, water and wastewater main improvements for Motor Street from Medical Center Drive to Harry Hines Boulevard - Not to exceed \$68,563, from \$2,060,797 to \$2,129,360 - Financing: 2003 Bond Funds (\$15,879) and Water Utilities Capital Construction Funds (\$52,684).
- On November 10, 2008, the City Council approved Resolution No. 08-3047, authorized a public hearing to be held on December 10, 2008 to receive comments on amendments to Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District) Project Plan and Reinvestment Zone Financing Plan (Project Plan): (1) to increase the geographic area of the Southwestern Medical TIF District to include the area bounded by Harry Hines Boulevard, Inwood Road and Maple Avenue and the area bounded by Production Drive, Hawthorne Avenue and Afton Street (excludes the single-family houses at the corner of Hawthorne Avenue and Afton Street); (2) support development of the private bio-medical industry and applied research associated with the UT Southwestern Medical Center; (3) improve pedestrian connections between DART's Parkland light rail station and adjacent neighborhoods to the north and south; (4) add Bio-Medical Industry development as eligible categories for TIF spending under the budget for the Southwestern Medical TIF District; (5) increase the total Southwestern Medical TIF budget from \$10,777,998 to \$18,418,663 (an increase of \$7,640,665, NPV in 2006 dollars); and, at the close of the hearing, (6) consideration of an ordinance amending Ordinance Nos.

25965, previously approved on April 27, 2005 and 26204, previously approved on January 11, 2006 to reflect these changes.

- On December 10, 2008, the City Council approved Resolution No. 08-3393 & 08-3394, authorized a public hearing to receive comments on an amendment to Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District) Project Plan and Reinvestment Zone Financing Plan (Project Plan) (1) to increase the geographic area of the Southwestern Medical TIF District to include the area bounded by Harry Hines Boulevard, Inwood Road and Maple Avenue and the area bounded by Production Drive, Hawthorne Avenue and Afton Street (excludes the single-family houses at the corner of Hawthorne Avenue and Afton Street); (2) support development of the private bio-medical industry and applied research associated with UT Southwestern Medical Center; (3) improve pedestrian connections between DART's Parkland light rail station and adjacent neighborhoods to the north and the south; (4) add Bio-Medical Industry development as an eligible category for TIF spending under the budget for the Southwestern Medical TIF District; and (5) increase the total Southwestern Medical TIF budget from \$10,777,998 to \$18,418,663 (an increase of \$7,640,665, NPV in 2006 dollars); and, at the close of the hearing, (6) consideration of an ordinance amending Ordinance Nos. 25965, previously approved on April 27, 2005 and 26204, previously approved on January 11, 2006 to reflect these changes.
- On January 14, 2009, the City Council approved Resolution No. 09-0183, authorized an Advanced Funding Agreement with the State of Texas, acting through the Texas Department of Transportation, for water and wastewater main relocations and adjustments in Motor Street from Harry Hines Boulevard to Maple Avenue - \$925,969.
- On January 14, 2009, the City Council approved Resolution No. 09-0189, a public hearing to receive comments regarding an application for and an ordinance granting an amendment to and expansion of Planned Development District No. 712 for UC-2 Urban Corridor District Uses in an area zoned Planned Development District No. 712, an IR Industrial Research District and an MF-2 Multiple Family Subdistrict within Planned Development District No. 193, the Oak Lawn Special Purpose District, in an area generally bounded by Medical District Drive, Cass Street, Macatee Street, and Bengal Street.
- On February 25, 2009, the City Council approved Resolution No. 09-0516, authorized a resolution accepting the FY 2008 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Ten, (Southwestern Medical TIF District), submitted by the Southwestern Medical TIF District's Board of Directors, and authorized 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 Attorney General of Texas, and the State Comptroller, as required by state law - Financing: No cost consideration to the City.

- On March 25, 2009, the City Council approved Resolution No. Ordinance 09-0763, amending Chapter 12A of the Dallas City Code to: (1) allow TIF board members to acquire property within the reinvestment zones they represent, but prohibiting them from participating and voting in matters that directly affect their acquired or existing property in the reinvestment zones; and (2) prohibit TIF board members from having direct or indirect financial interests in city contracts involving the use of TIF funds.
  
- On August 26, 2009, the City Council approved Resolution No. 09-2062, authorized: (1) a public hearing to be held on September 23, 2009 to receive comments on amendments to Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District) Project Plan and Reinvestment Zone Financing Plan (Project Plan) to: (a) increase the total budget by \$9,131,822, an increase from \$18,418,663 to \$27,550,485 (in 2006 dollars); (b) expand the Economic Development Grant Program to allow for grants or loans supporting higher density development and job creation; (c) correct the 2008 base value for the expanded boundary by \$1,651,102, an increase from \$44,823,262 to \$46,474,364 for the final certified roll; and (d) make corresponding modifications to the budget and Southwestern Medical TIF District Project Plan; and at the close of the public hearing, (2) consideration of an ordinance amending Ordinance Nos. 25965, 26204 and 27433 to reflect these changes.

## Pending TIF Items

- An item is scheduled for City Council review on October 14, 2009, a public hearing to receive comments on an amendment to Tax Increment Financing Reinvestment Zone Number Ten (Southwestern Medical TIF District) Project Plan and Reinvestment Zone Financing Plan (Project Plan) to: (a) increase the total budget by \$9,131,822, an increase from \$18,418,663 to \$27,550,485 (in 2006 dollars); (b) expand the Economic Development Grant Program to allow for grants or loans supporting higher density development and job creation; (c) correct the 2008 base value for the expanded boundary by \$1,651,102, an increase from \$44,823,262 to \$46,474,364 for the final certified roll; (d) make corresponding modifications to the budget and Southwestern Medical TIF District Project Plan and at the close of the public hearing; and (e) consider an ordinance amending Ordinance Nos. 25965, 26204 and 27433 to reflect these changes - Financing: No cost consideration to the City.
- An item is scheduled for City Council review on October 14, 2009, to authorize: (1) an amendment to the Southwestern Medical TIF District Grant Program to broaden the list of eligible expenditures; and (2) a development agreement with Amarone, L.P., for the development of The Butler project located in the Southwestern Medical TIF District in an amount not to exceed \$7,650,000 from the Southwestern Medical TIF revenues - Not to exceed \$7,650,000.
- FY 2009 Annual Report, Southwestern Medical TIF District.



*The Butler project site and conceptual elevation*

## Budget and Spending Status

Each TIF district establishes a budget for the public improvement expenditures necessary to support private investment in the district in the Project Plan and Reinvestment Zone Financing Plan. The Southwestern Medical TIF District was established in April 2005 and amended in December 2008. The Project Plan estimates for TIF public improvements total approximately \$30.8 million (\$18.4 million in 2006 dollars). The final budget for the district is below.

Southwestern Medical TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	TIF Budget*	Allocated**	Balance**
Paving, streetscape, utilities, public-use improvements, design & engineering	\$13,134,378	\$1,533,846	\$11,600,532
Environmental remediation and demolition	\$971,166	\$0	\$971,166
Utility burial	\$5,015,488	\$482,984	\$4,532,504
Bio-Medical Industry Development	\$10,000,000	\$0	\$10,000,000
Administration and implementation***	\$1,671,830	\$1,671,830	\$0
<b>Total Project Costs</b>	<b>\$30,792,862</b>	<b>\$3,688,660</b>	<b>\$27,104,202</b>
* Budget shown above in current dollars; TIF Project Plan shows the budget in net present value.			
** Includes money expended and committed for existing and future projects including interest accrued on advanced funds as of the end of FY2009.			
*** Funds expended or committed through Fiscal Year 2007 and 2008.			

Category	TIF Budget*
Paving, streetscape, utilities, public-use improvements, design & engineering	\$7,856,291
Environmental remediation and demolition	\$580,900
Utility burial	\$3,000,000
Bio-Medical Industry Development	\$5,981,472
Administration and implementation	\$1,000,000
<b>Total Project Costs</b>	<b>\$18,418,663</b>
* As approved in the Project Plan and Reinvestment Zone Financing Plan.	

M/WBE Participation			
Project	Contractor	Total Contract Award Amount	Percentage Minority Participation
Cityville at Southwestern Medical	Davis Excavation	\$1,376,916.70	27.71%

## FY 2010 Work Program

The work items for FY 2010 for the Southwestern Medical District include:

- Adopt Development Agreement with Amerone L.P., for the development of The Butler project.
- Adopt Design Guidelines to guide the character and quality of development within the district.
- Develop and adopt a Strategic Implementation Plan for the district to help identify potential redevelopment sites and prioritize use of public investment within the district.
- Adopt the Affordable Housing Policy for the District.
- Increase recreational opportunities and improved connections to the City of Dallas trails and open space system in the Southwestern Medical Area.
- Assist with facility improvements included in Medical District Master Plan coordinated/adopted by Parkland Health and Hospital System, Children's Medical Center, and UT Southwestern Medical.
- Assist with issues related to the Cityville project and Butler project.

## Financials Appendix:

City of Dallas, Texas

Southwestern Medical Tax Increment Financing District Fund

Reinvestment Zone Number Ten

As of September 30, 2009

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:**

\$3,528	Interest Income	
\$322,892	Ad Valorem Taxes (Collected in FY'2008-09 based on 2008 Certified Tax Roll)	
<u>\$0</u>	Other revenue	
		Total
<u>\$326,420</u>		Revenue

**2. Amount and purpose of expenditures from the fund:**

\$32,767	Administrative Expense
\$0	Non-Capital Outlay
\$0	Capital outlay *
<u>\$0</u>	Interest and fiscal charges
	Total
<u>\$32,767</u>	Expenditures

\* These capital expenditures were for public improvements for the Cityville project in the TIF district.

**3. TIF administrative costs associated with the staff time spent are being accumulated for fiscal years 2007-2009 for anticipated reimbursement to General Fund in fiscal year 2009 upon collection of tax increment by June of 2009.**

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

<u>Project</u>	<u>Balance Due (Since Inception)</u>			<u>Payments To Date</u>			<u>Net Bal. Due</u>
	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total Due</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total Paid</u>	
Cityville @ SWM-Public Imps.	\$1,440,000	\$246,830	\$1,686,830	\$0	\$0	\$0	\$1,686,830
<b>Totals</b>	<b>\$1,440,000</b>	<b>\$246,830</b>	<b>\$1,686,830</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,686,830</b>

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

<u>Taxing Jurisdiction</u>	<u>Taxable Value 2009*</u>	<u>Base Year 2005 Value</u>	<u>Est. Captured Value 2009**</u>
City of Dallas	\$121,478,819	\$67,411,054	\$54,067,765
Dallas County	\$121,478,819	\$67,411,054	\$54,067,765
Dallas Independent School District	\$0	\$0	\$0
Dallas County Hospital District	\$0	\$0	\$0
Dallas County Community College Dist.	\$0	\$0	\$0

\*2009 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 preliminary Taxable Value. The final values will be determined on February 01, 2010.

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:

<u>Taxing Jurisdiction</u>	<u>Assessment Per \$100***</u>	<u>Amount of Estimated 2009 Increment***</u>
City of Dallas	0.59832	\$323,498
Dallas County	0.12546	\$67,831
Dallas Independent School District	0.00000	\$0
Dallas County Hospital District	0.00000	\$0
Dallas County Community College District	0.00000	\$0
<b>Total for all Jurisdictions</b>	<b>\$0.72378</b>	<b>\$391,329</b>

\*\*\*Participation rates for City of Dallas and Dallas County are 80% and 55% respectively for tax years 2008 - 2026.

\*\*\*\*The District will begin collecting increment in June of 2009 for 2008 tax year.

B. The total amount of tax increment billed for the 2009 is shown above. For the 2008 tax year, the zone collected \$322,892 in increment.



City of Dallas, Texas  
 Southwestern Medical Tax Increment Financing District Fund  
 Cash Flow Statement for the Period Ended September 30, 2009  
 With Comparative Totals for September 30, 2008, 2007 and 2006  
 (Unaudited)

	2009	2008	2007	2006
Operating income (loss)	\$290,125	(\$37,634)	(\$1,169,359)	(\$269,622)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in interest receivable	\$328	\$974	\$10,815	(\$12,116)
Increase (decrease) in accounts payable	\$0	(\$53,302)	(\$223,223)	\$276,525
Increase (decrease) in advances from developers	\$0	\$0	\$0	\$1,440,000
Increase (decrease) in due to general fund	\$0	\$25,369	\$11,453	\$0
Increase (decrease) in other liabilities	\$0	(\$68,758)	\$68,758	\$0
Total adjustments	\$328	(\$95,717)	(\$132,197)	\$1,704,409
Net cash provided by operating activities	\$290,453	(\$133,351)	(\$1,301,556)	\$1,434,787
Cash flows from investing activities:				
Interest on investment activities	\$3,528	\$4,219	\$26,566	\$15,287
Net increase(decrease) in fair value of investments	\$0	(\$243)	\$6,446	\$5,209
Net cash provided by investing activities	\$3,528	\$3,976	\$33,011	\$20,496
Net increase (decrease) in pooled cash and cash equivalents	\$293,981	(\$129,375)	(\$1,268,544)	\$1,455,283
Pooled cash and cash equivalents at beginning of year	\$57,364	\$186,739	\$1,455,283	\$0
Pooled cash and cash equivalents at end of year	\$351,345	\$57,364	\$186,739	\$1,455,283

EXHIBIT A  
Southwestern Medical TIF District

FY 2009 Annual Report

City of Dallas, Texas  
Southwestern Medical Tax Increment Financing District Fund  
Balance Sheet as of September 30, 2009  
With Comparative Totals for September 30, 2008, 2007 and 2006  
(Unaudited)

	2009	2008	2007	2006
<b>Assets:</b>				
Pooled cash and cash equivalents	\$351,345	\$57,364	\$186,739	\$1,455,283
Interest receivable	\$0	\$328	\$1,301	\$12,116
<b>Total assets</b>	<b>\$351,345</b>	<b>\$57,692</b>	<b>\$188,040</b>	<b>\$1,467,399</b>
<b>Liabilities and Fund Balance (Deficit):</b>				
<b>Liabilities:</b>				
Accounts and contracts payable	\$0	\$0	\$53,302	\$276,525
Advances from developers	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
Due to general fund	\$36,823	\$36,823	\$11,453	\$0
Accrued liability	\$0	\$0	\$68,758	\$0
<b>Total liabilities</b>	<b>\$1,476,823</b>	<b>\$1,476,823</b>	<b>\$1,573,513</b>	<b>\$1,716,525</b>
<b>Fund Balance (Deficit):</b>				
Fund Balance (Deficit)	(\$1,125,478)	(\$1,419,131)	(\$1,385,474)	(\$249,126)
<b>Total Liabilities and Fund Equity</b>	<b>\$351,345</b>	<b>\$57,692</b>	<b>\$188,040</b>	<b>\$1,467,399</b>
	\$0	\$0	\$0	\$0

EXHIBIT A  
Southwestern Medical TIF District

FY 2009 Annual Report

Southwestern Medical Tax Increment Financing District Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
For the Period September 30, 2009  
With Comparative Totals for September 30, 2008, 2007 and 2006  
(Unaudited)

	ITD	2009	2008	2007	2006
<b>Revenues:</b>					
Tax increment-Governmental	\$267,056	\$267,056	\$0	\$0	\$0
Tax increment-Intergovernmental	\$55,837	\$55,837	\$0	\$0	\$0
Interest income	\$49,600	\$3,528	\$4,219	\$26,566	\$15,287
Developer Participation & other revenue	\$41,970	\$0	\$31,260	\$3,807	\$6,903
Net increase (decrease) in fair value of investments	\$11,412	\$0	(\$243)	\$6,446	\$5,209
<b>Total revenues</b>	<b>\$425,874</b>	<b>\$326,420</b>	<b>\$35,236</b>	<b>\$36,819</b>	<b>\$27,399</b>
<b>Expenditures:</b>					
Administrative expenses	\$69,590	\$32,767	\$25,369	\$11,453	\$0
Non-Capital Outlay	\$0	\$0	\$0	\$0	\$0
Capital outlay	\$1,481,762	\$0	\$43,524	\$1,161,713	\$276,525
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0
<b>Total expenditures</b>	<b>\$1,551,352</b>	<b>\$32,767</b>	<b>\$68,893</b>	<b>\$1,173,166</b>	<b>\$276,525</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(\$1,125,478)</b>	<b>\$293,653</b>	<b>(\$33,658)</b>	<b>(\$1,136,348)</b>	<b>(\$249,126)</b>
<b>Fund balance (Deficit) at beginning of year as previously reported</b>	<b>(\$1,125,478)</b>	<b>(\$1,419,131)</b>	<b>(\$1,385,474)</b>	<b>(\$249,126)</b>	<b>\$0</b>
<b>Fund balance (Deficit) at beginning of year, as restated</b>	<b>(\$1,125,478)</b>	<b>(\$1,419,131)</b>	<b>(\$1,385,474)</b>	<b>(\$249,126)</b>	<b>\$0</b>
<b>Fund balance (deficit) at end of year</b>	<b>(\$1,125,478)</b>	<b>(\$1,125,478)</b>	<b>(\$1,419,131)</b>	<b>(\$1,385,474)</b>	<b>(\$249,126)</b>

**Note:** These unaudited financial statements are based on preliminary numbers and are subject to change. If these numbers change, TIF board will be provided with the audited numbers after completion of the City's audit for fiscal year 2008-09.

City of Dallas, Texas  
Southwestern Medical Tax Increment Financing District  
Notes to Financial Statements for the Year Ended September 30, 2009

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. For purposes of the "Statement of Cash Flow," the operating loss represents tax increment revenues less total expenditures.
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 earn pro rata interest. The City invests in U.S. Treasury and Agency securities with maturities which are less than five years and money market mutual funds rated Aaa or AAAM. The weighted average maturity of the portfolio is less than 365 days.
4. The Zone's Financial Plan permits expenditures not to exceed \$1,671,830 over the life of the TIF to reimburse the City for administrative costs. The Zone incurred \$32,767 in administrative costs for fiscal year 2009. 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 received advances from the developers to fund improvements that are being made by the Department of Public Works and Transportation. Developer advances outstanding at year-end, which bear interest from the date of advance, include the following:

\$1,440,000 in developer advance for the Cityville @ Southwestern Medical District Phase I project as of May 3, 2006 bearing interest at a rate of 4.84% compounded semi-annually.

6. The Zone had \$2,032,949 in total developer advances, including principal and interest, outstanding at September 30, 2009.
7. Capital assets activity for the year ended September 30, 2009 is as follows:

	Balance at beginning of year	Additions	Transfers and retirements	Balance at end of year
Capital assets, not being depreciated:				
Land	\$0	\$0	\$0	\$0
Construction in progress	1,481,762	0	(1,481,762)	0
Total capital assets, not being depreciated	\$0	\$0	(\$1,481,762)	\$0
Capital assets being depreciated:				
Improvements	\$0	\$1,481,762	\$0	\$1,481,762
Less accumulated depreciation:	0	(59,270)	\$0	(59,270)
Total capital assets being depreciated	\$0	\$1,422,492	\$0	\$1,422,492
Governmental capital Assets, net	\$1,481,762	\$1,422,492	(\$1,481,762)	\$1,422,492

8. All project costs resulting in capital improvements which are owned by the City are capitalized by City of Dallas.