

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 17, 2010, the Southwestern Medical TIF District Board of Directors passed a motion accepting the FY 2010 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 2010 Annual Report for Tax Increment Financing Reinvestment Zone Number Ten, (Southwestern Medical TIF District), City of Dallas, Texas, as of September 30, 2010, 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 2010 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 23, 2011

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
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APPROVED BY
CITY COUNCIL

FEB 23 2011


City Secretary

110529

**Southwestern Medical TIF District
FY 2010
Annual Report**



City of Dallas

Office of Economic Development
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<http://www.dallas-ecodev.org>

October 1, 2009 to September 30, 2010

Reinvestment Zone Number Ten Southwestern Medical Tax Increment Financing District

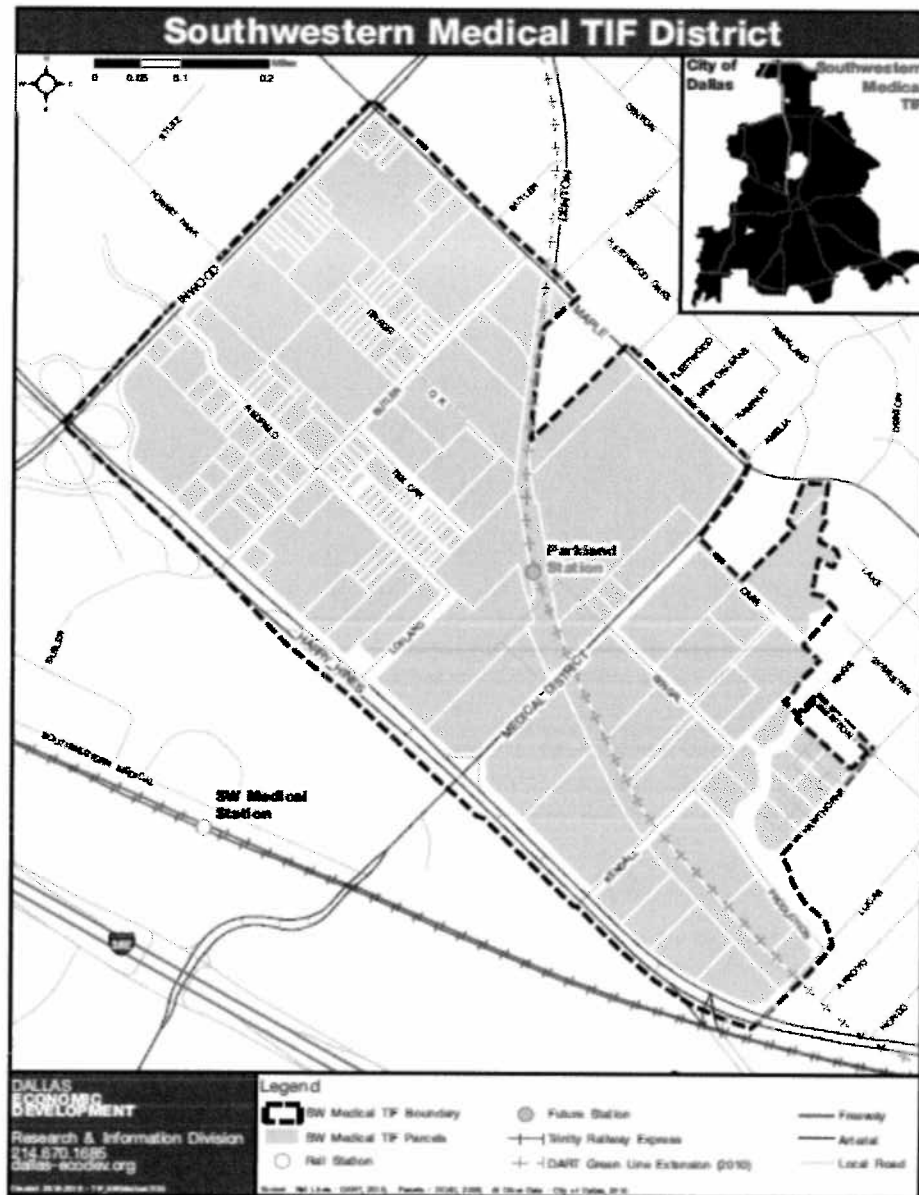


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Mission Statement

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 and October 14, 2009. 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 \$27.5million (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%.

Southwestern Medical TIF District Accomplishments

The initial project for the Southwestern Medical TIF District is the "Cityville at Southwestern Medical." 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 is approximately \$21.8 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, completed in 2009. The project is comprised of approximately 377,816 square feet of residential space, located at 2034 Medical District Drive and 4805 Bengal Street. Total private investment for this development project is approximately \$39.6 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.

Maple Garden LP., is constructing 120 apartments at 5219 Maple Avenue, between Parkland East Parking Lot (EPL) and existing 5225 Maple apartment complex. The project is under construction and schedule to complete by June 2011. The estimated private investment is \$10 million.

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 Memorial Hospital owns 21.5% of the land within the District. Parkland has undertaken a major construction project, replacing the outdated facility with a new one. The \$1.2 billion Parkland expansion plan includes 17 story hospital surrounded by new clinics and parking garages located around the planned Southwestern Medical District/Parkland DART light rail station. The construction work started with demolition at the corner of Harry Hines Boulevard and Medical District Drive to make a way for new buildings and construction of East Parking Lot at the corner of Maple Avenue and Medical District Drive is in progress. The new facility is expected to be completed by the end of 2014.

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 has recently completed 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 bio-medical companies that are engaged in research, development, marketing and small-scale manufacturing of goods and services in the bio-medical industry. BioCenter project is designed to help commercialize university technology and draw biotechnology companies to North Texas.

DART Green Line expansion (NW corridor) is nearing completion. 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 approximately \$163.7 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 – commercial space



Cityville Townhomes



Parkland Ambulatory Center at Harry Hines Boulevard and Medical District Drive



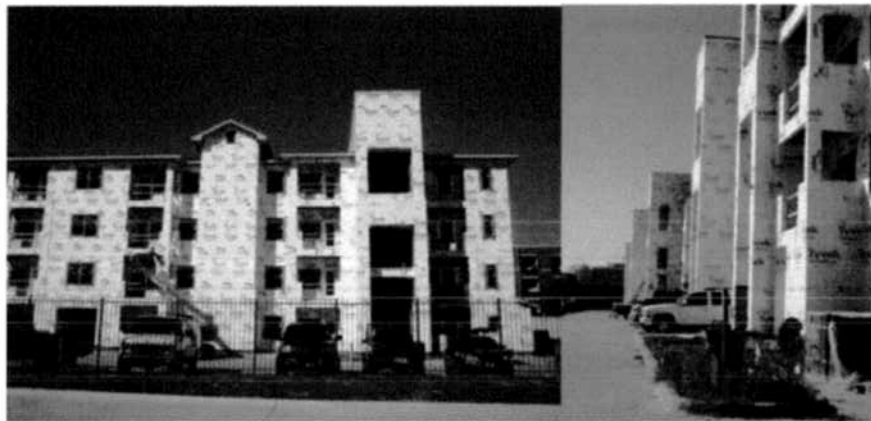
Ronald McDonald House



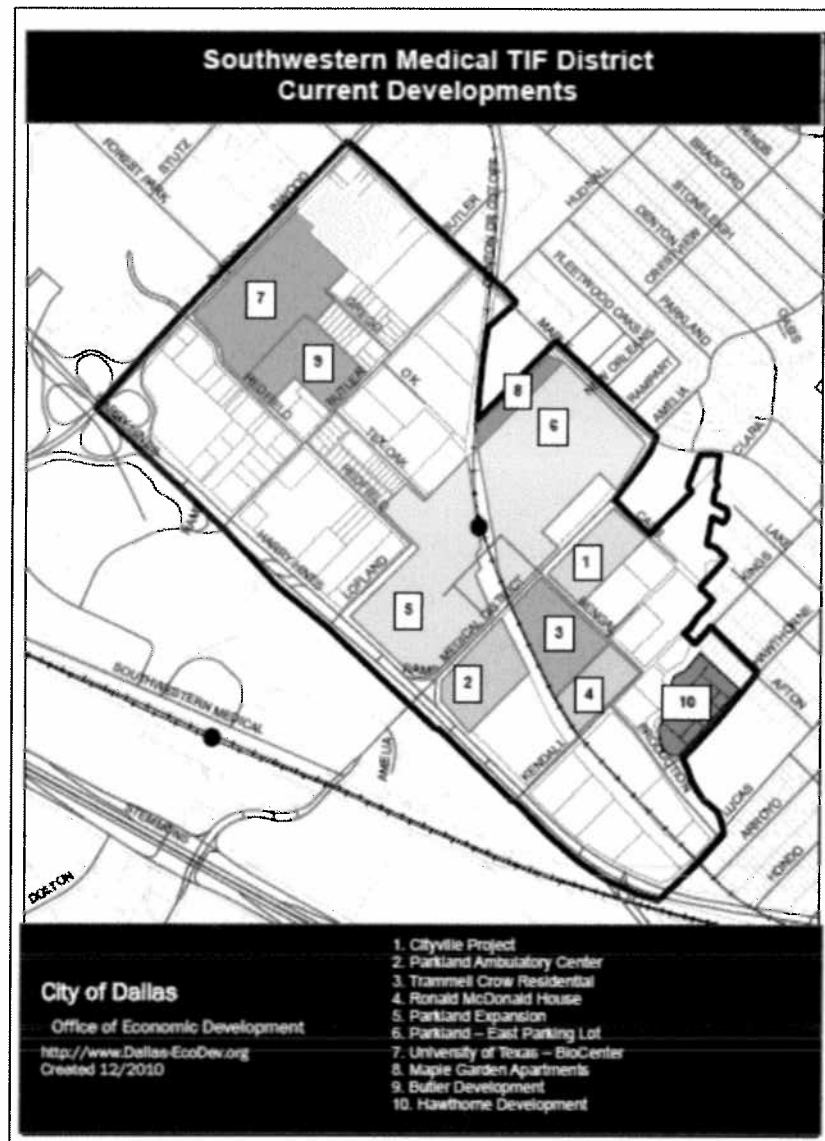
Alexan Project



Parkland – East Parking Lot (EPL)



Maple Garden Apartment – 5219 Maple Avenue



Southwestern Medical TIF District Projects ¹						
Projects Within TIF District Utilizing TIF Funding						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
Cityville at Southwestern Medical Phase I	2222 Medical District Drive	2007	Complete	278 res. units; 45,000 SF retail	\$21,881,760	\$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	\$82,881,760	\$8,300,000



The Butler project site and conceptual elevation

Projects Within TIF District Not Utilizing TIF Funding ⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value	TIF Investment
Parkland Ambulatory Center ⁶	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	\$39,600,000	\$0
Ronald McDonald House ⁶	4707 Bengal Street	2009	Complete	64,000 SF lodging for 60 families	\$10,693,800	\$0
Maple Garden Apartments	5219 Maple Avenue	2011	Under construction	120 apartments	\$10,000,000	\$0
Subtotal				62,267 SF medical office, 64,000 SF of lodging and 516 units completed.	\$80,781,230	\$0
Projects Utilizing and Not Utilizing TIF Funding						
Total				Completed: 1,262 res. units; 50,000 SF retail; 62,267 SF medical office and 61,000 SF lodging.	\$163,662,990	\$8,300,000
¹ All information updated as of September 30, 2010. 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. 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. ⁵ Selected significant projects included. ⁶ 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. The Southwestern Medical District's assessed 2010 tax value was \$126,280,275, an increase of \$58,869,221 over the base year values (2005 and 2008). This property value change represents 87.3% increase from the 2005 and 2008 base values. The 2010 tax value increased \$5,391,744 (4.5%) over the 2009 tax value. From the inception of the district, approximately, 73% of the increment is from the new construction and 27% from the general appreciation. The total 2010 increment revenue collected in 2011 is expected to be \$454,061. The actual construction that occurred in 2010 will be reflected on the 2011 tax roll.

Objectives, Programs, and Success Indicators

The final Southwestern Medical Project Plan and Reinvestment Zone Financing Plan was adopted 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 \$163.6 million (58% of goal) in additional taxable value.

- New private development in the Southwestern Medical TIF District shall add a total of approximately 300,000 square feet of retail/office space and at least 3,000 new apartment units.

Projects underway within the district will contribute a minimum of 112,267 square feet of retail/medical office space (37% of goal) and 1,262 additional residential units (42% of goal). In addition, Parkland expansion plan includes 17 story hospital surrounded by new clinics and parking garages, worth \$1.2 billion.

- 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, Alexan projects have resulted in the conversion of former industrial and warehousing uses to residential and retail uses. The Stemmons Corridor - Southwestern Medical District Area Plan (Vision and Policy Plan) was adopted by the City Council in June, 2010.

- 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 within the District and in construction with the Parkland construction.

- The Southwestern Medical TIF District will generate approximately \$27.5 million in increment over 20 years.

The assessed property value from the base year to 2010 was increased by eighty seven percent. The growth is significant in initial zone and new area that has been added will develop in the next couple of years. The district started collecting the increment from last two years and it is estimated that the district will generate \$27.5 million (in 2006 dollars) before the TIF expires in 2027.

- Develop a grant program to program to promote private medical industry and economic development in the District.

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 once on December 7, 2009.

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 2010 the Board members were (FY 2010 Board meetings attended): Richard Brown – City Representative (1 of 1 meeting – resigned as of March 12, 2010), Alexia Griffin – City Representative (1 of 1 meeting), Lily Mak – City Representative (1 of 1 meeting), Ross Sherwood Martin – City Representative (1 of 1 meetings), William Bond – City Representative (0 of 1 meeting – resigned as of January 26, 2010), Josh Shoemaker – City Representative (0 of 0 meeting – resigned as of September 10, 2010), Michael Serber– City Representative (0 of 0 meeting – a new TIF Board member), Jacob Pollack – City Representative (0 of 0 meeting – a new TIF Board member), Rick Loessberg – Dallas County Representative (0 of 1 meeting), Orlando Alameda – DISD Representative (1 of 1 meeting), Hector Flores – DISD Representative (1 of 1 meeting), and Walter Jones – Hospital District Representative (1 of 1 meeting).

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

- On October 14, 2009, the City Council approved Resolution Number 092559, authorizing 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.
- On October 14, 2009, the City Council approved Ordinance No 27704, amending Ordinance Nos. 25965, 26204 and 27433, previously approved by the City Council on April 27, 2005, January 11, 2006 and December 10, 2008 respectively, to: **(1)** increase the total budget by \$9,131,822, an increase from \$18,418,663 to \$27,550,485 (in 2006 dollars); **(2)** expand the Economic Development Grant Program to allow for grants or loans supporting higher density development and job creation; **(3)** 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 **(4)** make corresponding modifications to the budget and Southwestern Medical TIF District Project Plan - Financing: No cost consideration to the City

- On October 14, 2009, the City Council approved Resolution Numbers 092560-1 and 092560-2, authorizing: (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.
- On December 9, 2009, the City Council approved Resolution No. 09-2979, authorizing acquisition, including the exercise of the right of eminent domain, if such becomes necessary, from Kumiva Group, LLC of approximately 9,985 square feet of land located near the intersection of Motor and Cass Streets for the Motor Street Improvement Project - Not to exceed \$223,500 (\$220,000 plus closing costs not to exceed \$3,500).
- On February 10, 2010, the City Council approved Resolution No. 10-0464, authorizing a resolution accepting the FY 2009 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 June 23, 10, 2010, the City Council approved Resolution No. 10-1677, authorizing a public hearing to receive comments regarding an ordinance amending the comprehensive plan of the City of Dallas to incorporate the Stemmons Corridor - Southwestern Medical District Area Plan (Vision and Policy Plan) and a resolution adopting the Stemmons Corridor - Southwestern Medical District Area Plan (Implementation Program) for the area generally located north of Continental Avenue, east of the Trinity River, south of Mockingbird Lane, and west of Cedar Springs Road, Maple Avenue, and Harry Hines Boulevard - Financing: No cost consideration to the City.

Pending TIF Items

- FY 2010 Annual Report, Southwestern Medical TIF District.

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, amended in December 2008 and October 2009. The Project Plan estimates for TIF public improvements total approximately 46 million (27.5 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	\$16,951,090	\$1,612,715	\$15,338,375
Environmental remediation and demolition	\$4,787,878	\$0	\$4,787,878
Utility burial	\$8,832,200	\$482,984	\$8,349,216
Economic Development Grant	\$13,816,713	\$6,530,000	\$7,286,713
Administration and implementation***	\$1,671,830	\$1,671,830	\$0
Total Project Costs	\$46,059,711	\$10,297,529	\$35,762,182
<i>* 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 FY2010. *** Funds expended or committed through FY2010.</i>			

Southwestern Medical TIF District Project Plan Budget	
Category	Revised TIF Budget (in 2006 \$)
Paving, streetscape, utilities, public-use improvements, design & engineering	\$10,139,246
Environmental remediation and demolition	\$2,863,856
Utility burial	\$5,282,955
Economic Development Grant	\$8,264,428
Administration and implementation	\$1,000,000
Total Project Costs	\$27,550,485
* 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% (\$381,544)

FY 2011 Work Program

The work items for FY 2011 for the Southwestern Medical District include:

- Assist with issues related to the Maple Garden project and Butler project.
- 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 Design Guidelines to guide the character and quality of development within 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.
- Research on how the zoning within the District can be changed to provide consistency.

Financials Appendix:

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District Fund
Balance Sheet as of September 30, 2010 (Unaudited)
With Comparative Totals for September 30, 2009, 2008, 2007 and 2006

	2010	2009	2008	2007	2006
Assets:					
Pooled cash and cash equivalents	\$668,574	\$346,040	\$57,364	\$186,739	\$1,455,283
Interest receivable	\$1,896	\$1,896	\$328	\$1,301	\$12,116
Total assets	\$670,470	\$347,936	\$57,692	\$188,040	\$1,467,399
Liabilities and Fund Balance (Deficit):					
Liabilities:					
Accounts and contracts payable	\$0	\$0	\$0	\$53,302	\$276,525
Advances from developers	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
Due to general fund	\$0	\$36,823	\$36,823	\$11,453	\$0
Accrued liability	\$0	\$0	\$0	\$68,758	\$0
Total liabilities	\$1,440,000	\$1,476,823	\$1,476,823	\$1,573,513	\$1,716,525
Fund Balance (Deficit):					
Fund Balance (Deficit)	(\$769,530)	(\$1,128,886)	(\$1,419,131)	(\$1,385,474)	(\$249,126)
Total Liabilities and Fund Equity	\$670,470	\$347,936	\$57,692	\$188,040	\$1,467,399
	\$0	\$0	\$0	\$0	\$0

Southwestern Medical Tax Increment Financing District Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
For the Period September 30, 2010 (Unaudited)
With Comparative Totals for September 30, 2009, 2008, 2007 and 2006

	ITD	2010	2009	2008	2007	2006
Revenues:						
Tax increment-Governmental	\$585,085	\$318,029	\$267,056	\$0	\$0	\$0
Tax increment-Intergovernmental	\$120,509	\$64,672	\$55,837	\$0	\$0	\$0
Interest income	\$55,553	\$5,887	\$3,595	\$4,219	\$26,566	\$15,287
Developer Participation & other revenue	\$41,970	\$0	\$0	\$31,260	\$3,807	\$6,903
Net increase (decrease) in fair value of investments	\$7,936	\$0	(\$3,476)	(\$243)	\$6,446	\$5,209
Total revenues	\$811,054	\$388,588	\$323,012	\$35,236	\$36,819	\$27,399
Expenditures:						
Administrative expenses	\$98,822	\$29,232	\$32,767	\$25,369	\$11,453	\$0
Non-Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
Capital outlay	\$1,481,762	\$0	\$0	\$43,524	\$1,161,713	\$276,525
Interest and fiscal charges	\$0	\$0	\$0	\$0	\$0	\$0
Total expenditures	\$1,580,584	\$29,232	\$32,767	\$68,893	\$1,173,166	\$276,525
Excess (Deficiency) of Revenues over Expenditures	(\$769,530)	\$359,356	\$290,245	(\$33,658)	(\$1,136,348)	(\$249,126)
Fund balance (Deficit) at beginning of year as previously reported	\$0	(\$1,128,886)	(\$1,419,131)	(\$1,385,474)	(\$249,126)	\$0
Fund balance (Deficit) at beginning of year, as restated	\$0	(\$1,128,886)	(\$1,419,131)	(\$1,385,474)	(\$249,126)	\$0
Fund balance (deficit) at end of year	(\$769,530)	(\$769,530)	(\$1,128,886)	(\$1,419,131)	(\$1,385,474)	(\$249,126)

Note: Fiscal year 2009-10 unaudited financial statements are based on preliminary 12th period close numbers and are subject to review by the City Controller's Office prior to approval by the City Council. In case of any resulting material changes, TIF board will be provided with the updated financial statements.

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District Fund
Reinvestment Zone Number Ten
As of September 30, 2010

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:

\$5,887	Interest Income	
\$382,701	Ad Valorem Taxes (Collected in FY'2009-10 based on 2009 Final Tax Roll)	
<u>\$0</u>	Other Revenue	
<u>\$388,588</u>		Total Revenue

2. Amount and purpose of expenditures from the fund:

\$29,232	Administrative Expense	
\$0	Non-Capital Outlay	
\$0	Capital outlay *	
<u>\$0</u>	Interest and fiscal charges	
<u>\$29,232</u>		Total Expenditures

* There was no capital outlay during the current fiscal year.

3. The Zone began reimbursing the general fund for administrative costs in fiscal year 2008-09.

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.</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	\$322,781	\$1,762,781	\$0	\$0	\$0	\$1,762,781
Totals	\$1,440,000	\$322,781	\$1,762,781	\$0	\$0	\$0	\$1,762,781

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

<u>Taxing Jurisdiction</u>	<u>Taxable</u>	<u>Base Year</u>	<u>Est. Captured</u>
	<u>Value 2010*</u>	<u>2005 Value</u>	<u>Value 2010**</u>
City of Dallas	\$126,280,275	\$67,411,054	\$58,869,221
Dallas County	\$126,280,275	\$67,411,054	\$58,869,221
Dallas Independent School District	\$0	\$0	\$0
Dallas County Hospital District	\$0	\$0	\$0
Dallas County Community College Dist.	\$0	\$0	\$0

*2010 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, 2011.

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</u>	<u>Amount of</u>
	<u>Per \$100***</u>	<u>Estimated 2010 Increment</u>
City of Dallas	0.63760	\$375,350
Dallas County	0.13371	\$78,711
Dallas Independent School District	0.00000	\$0
Dallas County Hospital District	0.00000	\$0
Dallas County Community College District	0.00000	\$0
Total for all Jurisdictions	\$0.77131	\$454,061

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

B. The total amount of tax increment billed for the 2010 is shown above. For the 2009 tax year, the Zone collected \$382,701 in increment.

City of Dallas, Texas
Southwestern Medical Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2010

1. The measurement focus used for the TIF Zone fund is a flow of financial resources. The financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, tax increment revenues and interest are recognized as revenue when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.
2. State statute requires that each taxing jurisdiction remit its ad valorem taxes to the Zone by May 1 of each year (remittance to occur no more than 90 days after taxes for the jurisdiction become delinquent).
3. The 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 \$29,232 in administrative costs for 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 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 \$1,762,781 in total developer advances, including principal and interest, outstanding at September 30, 2010.
7. All project costs resulting in public improvements which are owned by the City are capitalized.