

Fort Worth Avenue TIF District FY 2008 Annual Report



The historic Belmont Hotel



City of Dallas

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

October 1, 2007 to September 30, 2008

Reinvestment Zone Number Fifteen Tax Increment Financing District

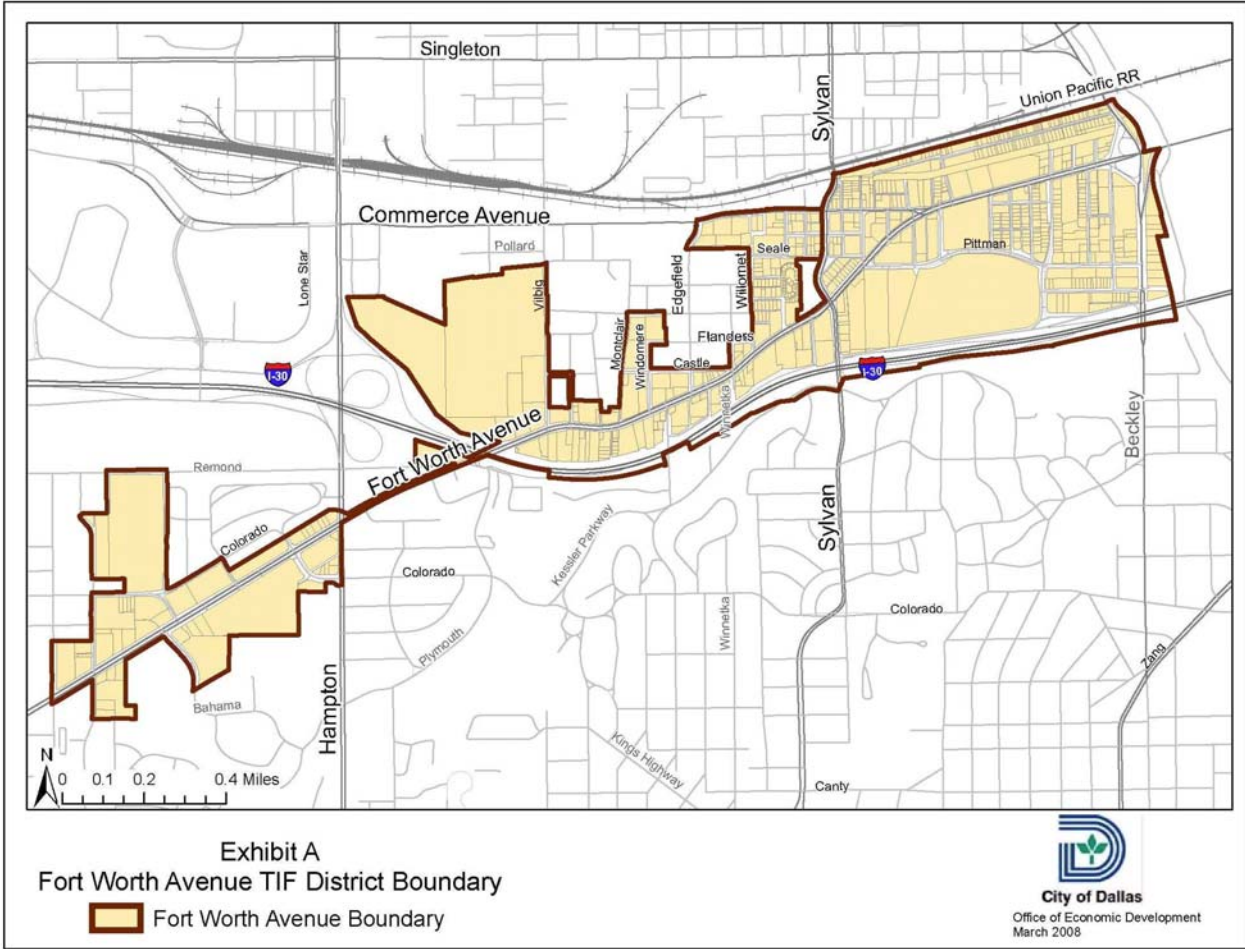


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Mission Statement

The mission of the Fort Worth Avenue TIF District is to provide a source of funding for public infrastructure improvements necessary to enhance the real estate market for the Fort Worth Avenue TIF District area. The Fort Worth Avenue TIF District represents the outgrowth of the City of Dallas' effort to provide a model for redeveloping urban corridors to take full advantage of the Trinity River project, the signature Santiago Calatrava bridges, and the undeveloped/underdeveloped land parcels near downtown Dallas.

The Fort Worth Avenue TIF District was proposed in April 2007 to assist the creation of a more sustainable mix of rental and for-sale residential property in the Fort Worth Avenue area. This shift will help to encourage the creation of more owner-occupied residential units and mixed-use development, the removal and redevelopment of structurally obsolete apartment complexes and retail centers, and the facilitation of necessary environmental remediation and redevelopment of the property near the Trinity River and downtown Dallas, as well as better trail and recreational connections.

The Dallas City Council established the Fort Worth Avenue TIF District by Ordinance Number 26798 on June 13, 2007. The Fort Worth Avenue District began to collect funds on January 1, 2008 and it is scheduled to terminate on December 31, 2029 (including collection of the 2029 increment in calendar year 2030 and any related matters to be concluded in 2030) or when the budget of \$69.4 million (2008 dollars) has been collected. The City of Dallas and Dallas County are the two participating jurisdictions. The City's participation essentially follows a bell curve, beginning with 0 percent in 2008. It increases to 55 percent in 2009 and 2010, then 70 percent in 2011 through 2013, then 85 percent for 2014 through 2020. It then decreases to 70 percent for 2021 and 2022 and decreases to 55 percent thereafter. The County's participation is anticipated to be 0% in 2008 and increase to 55% in 2009 and thereafter.

District Accomplishments

The Fort Worth Avenue TIF District is generally bounded by commercial and multi-family residential properties along the Fort Worth Avenue corridor between the Trinity River and Hartsdale Avenue. The Fort Worth Avenue TIF District encompasses underutilized and/or deteriorated commercial, industrial, residential, and multi-family residential properties along the Fort Worth Avenue corridor. The district contains a mix of uses, primarily composed of existing industrial and commercial structures, vacant and abandoned office structures, surface parking lots, and undeveloped property. Strengths of the district include proximity to downtown and the future Santiago Calatrava bridges, planned transit service improvements, Coombs Creek, and the surrounding stable, single-family neighborhoods.

One project, the Belmont Hotel, was completed adjacent to the district in 2005. Several additional projects are expected to commence during the first three years of the district:

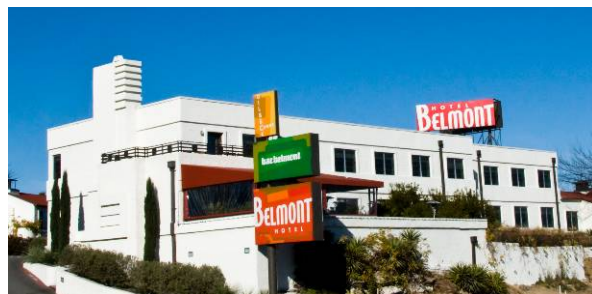
La Reunion Town Center is a planned \$200 million development at the southwest and northwest corners of Colorado Boulevard and Fort Worth Avenue. Construction is anticipated to start in early 2010.

The Fairways at La Reunion, a 198-unit senior living apartment community adjacent to the town center, is planned to begin construction in early 2009.



Jack's Backyard, at 2303 Pittman, is scheduled to receive its certificate of occupancy from the City of Dallas on October 31, 2008. The owners of this new restaurant recycled as much of the existing building as possible and added environmentally friendly elements such as lighting sconces made of brush found on the site. With 5,600 square feet of restaurant space and 2,800 square feet of patio space, Jack's will offer traditional Texas fare.

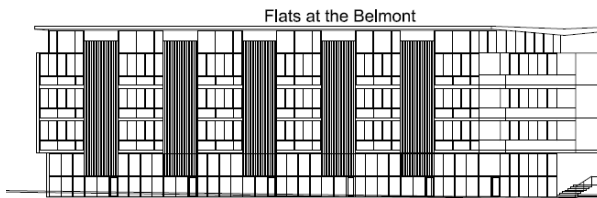
The first major redevelopment near the district is the Belmont Hotel, immediately adjacent to the district on the north side of Fort Worth Avenue. Originally designed and built in 1946 by architect Charles Dilbeck, the Belmont was completely renovated in late 2005. Total current value: \$2.8 million.





Scheduled to start in 2009, the Merchant Homes at the Belmont will provide 14 live/work units priced from \$450,000 to \$720,000. Total value when complete: \$7 million.

Just west of the Belmont, the Villas at the Belmont, 34 Mediterranean style villas, ranging from \$350,000 to \$800,000 in price, are currently under construction. Construction is slated to be complete on all of the homes by 2010. Total value: \$20 million.



West of the Villas at the Belmont, the Flats at the Belmont are scheduled to be complete in 2012. The Flats will contain 60 for-sale condominium units and 6,500 square feet of retail space in a four-story building. Total value: \$12 million.

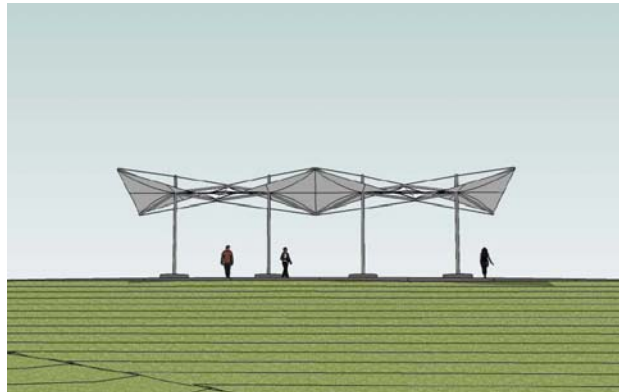
Planned Projects Within the Fort Worth Avenue TIF District Utilizing TIF Funding ¹						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	TIF Investment ⁴
La Reunion North	NWC Fort Worth Ave & Colorado	Not set	Anticipated	68 apartments	\$5 million	Not set
The Fairways at La Reunion (senior)	Fort Worth Ave & Bahama	Not set	Anticipated	198 apartments	\$20 million	Not set
La Reunion Town Center	SWC Fort Worth Ave & Colorado	Not set	Anticipated	~1,000 homes ~125,000 sf retail	Not set	Not set
Neighborhood Credit Union	641 Yorktown St.	Not set	Anticipated	5,500 sf bank	Not set	Not set
Jack's Backyard	510 W Commerce	2008	Under construction	5,600 sf restaurant 2,800 sf patio	Not set	Not set
Subtotal				~1,200 homes ~125,000 sf retail 5,500 sf bank 5,600 sf restaurant	\$200 million	

Planned Projects Within the Fort Worth Avenue TIF District Not Utilizing TIF Funding ⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	Public Investment
The Villas at the Belmont	Fort Worth Ave & Sylvan	2010	Construction started	34 homes	\$20 million	
Merchant Homes at the Belmont	919 Fort Worth Ave	2011	Anticipated	14 homes 2,500 sf retail	\$7 million	
The Flats at the Belmont	1007 Fort Worth Ave	2012	Anticipated	60 condos 6,500 sf retail	\$12 million	
Subtotal				108 homes 9,000 sf retail	\$39 million	
Completed Projects Adjacent to the Fort Worth Avenue TIF ⁵						
Project	Location	Calendar Year Complete	Status	Units/ SF ²	Approx. Value ³	Public Investment
Belmont Hotel	901 Fort Worth Ave	2005	Complete	67 hotel rooms	\$2.4 million	\$370,000 PPP Funds & \$359,995 2003 Bond Funds
Cliff Cafe	NWC Sylvan & Fort Worth Ave	2007	Complete	5,750 SF		
Total				5,750 sf retail 67 hotel rooms	\$2,494,210 (DCAD 2008)	\$729,995
<p>¹ All information updated as of September 30, 2008.</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).</p> <p>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.</p> <p>⁵ Selected significant projects included. The Villas, Flats, and Merchant Homes at the Belmont are all part of the project previously called Dilbeck Court, which received public infrastructure assistance as one large project.</p>						

The City and community partners have initiatives in and adjacent to the district that began in FY 2008 or have been ongoing. Together, more than \$5 million in bond funding, grant funding, and private funds have been raised for these projects. They will help to support new mixed-use development, to create a vibrant neighborhood in the Fort Worth Avenue corridor, and to increase recreational opportunities and connections to the Trinity River Corridor and downtown.

The **Coombs Creek Trail** will connect Stevens Park, the Stevens Park Golf Course, the planned La Reunion development, and the southern edge of the district to the Trinity River and the Katy Trail. On September 10, 2008, City Council authorized a contract for the construction of Phase I of the Coombs Creek Trail between Junior Drive (near Beckley Avenue) and Sylvan Avenue.

The **Trinity Overlook**, a pavilion and observation deck, is currently under construction at the Trinity Lakes located at the southeast corner of the intersection of Beckley Avenue and Commerce Street, just east of the district. On June 11, 2008, City Council approved appropriation of \$248,815 in 1998 bond funds to be used for the construction. Upon substantial completion of the project in October 2008, MetLife Foundation will donate \$100,000 to partially reimburse the City for the project.



Trinity Overlook - rendering



Trinity Overlook – nearly complete

The **West Dallas Signature** project was selected for funding through the North Central Texas Council of Governments (NCTCOG)'s Regional Transportation Council's Sustainable Development Program Call for Projects. This planning project will examine linkages from the project area to the Trinity trail system, evaluate potential mass transit opportunities, and manage vehicular traffic in the area. The study will result in a master plan to guide future development of sustainable linkages to downtown, the remainder of West Dallas, the Trinity River Project, and examine the viability of mass transit opportunities. The project area is bounded by Singleton Boulevard to the north, the Trinity River levee to the east, Interstate 30 to the south, and Sylvan Avenue to the west.

In the next fiscal year, City Council is anticipated to consider approving 2003 bond funds for the design of **streetscape improvements** along Fort Worth Avenue and West Commerce. The TIF board and the community will be involved with crafting the design of the improvements.

In addition to these projects, the City’s Public Works and Transportation Department is working on reconstruction of the **Beckley and Commerce Street intersection**. This \$3.9 million project will help to relieve congestion on Beckley and include wide sidewalks, street trees, and lighting.

District Initiatives				
Activity	Scope	Status	Investment	Source
Coombs Creek Trail	To create a hike, bike, and jogging trail system along the course of Coombs Creek as it winds west of downtown. The initial phase will run from Beckley Avenue to Sylvan Avenue.	<i>Approved.</i> Design began in May, 2006 and Phase I is scheduled to be complete January 2009. Funding for Phase II has been approved using 2006 bond funds. The final phases are planned but not currently funded.	\$290,427.60 for construction of Phase I	2003 Bond Program
			\$1,027,460 allocated to date in 2003 and 2006 bond funds for design and construction of phases I & II	2006 Bond Program
Trinity Overlook	Pavilion and observation deck at the southeast corner of Beckley and Commerce near the Trinity Lakes	<i>Under construction.</i> Construction started July 2008 and is slated to complete in October 2008.	\$148,815	1998 bond funds
			\$100,000	MetLife Foundation via the Trust for Public Land
West Dallas Signature Project	Transit planning project	<i>Approved.</i> The City’s Trinity River Office is in the beginning stages of the planning for this project.	\$ 25,406	West Dallas Chamber of Commerce
			\$101,625	Regional Transportation Council
Sylvan project	Sylvan Ave. from I-30 service road to Ft. Worth Ave.	<i>Planned.</i> The City’s Public Works and Transportation Department is currently conducting the planning for this project.	\$1,719,379	2006 Bond Program
	Sylvan Ave. from Commerce Ave. to Singleton Blvd		\$ 2,552,600	2006 Bond Program
Fort Worth Avenue Streetscape Improvements	Design and engineering for four areas of West Commerce and Fort Worth Avenue from Beckley to Westmoreland.	<i>Planned.</i> The Scope of Services is complete. City Council is expected to consider appropriation of the funds in the coming fiscal year.	Up to \$200,000	2003 Bond Funds
Beckley & Commerce intersection reconstruction	Design, engineering, and construction of intersection improvements, including sidewalks and street trees.	<i>Planned.</i> Construction is planned to start in early 2009 pending City Council approval.	\$340,000 for design \$3,600,000 for construction	1998 bond funds

Value and Increment Revenue Summary

The Fort Worth Avenue TIF District's base tax value for 2007 was \$86,133,447. This base value reflects a boundary amendment approved in March 2008 and adjustments to the base to reflect the final 2007 values of the parcels in the district. The district's 2008 assessed tax value, as determined by the Dallas Central Appraisal District, was \$96,663,511. This represents an increase of approximately \$10 million (12.2%) over the assessed value of the base year (2007) value. In future years, the district will report increase over the base value as well as captured increment deposited to the fund. However, because the City and County's participation is 0% until 2009, there will be no TIF funds collected in the upcoming year.

Objectives, Programs, and Success Indicators

The final Fort Worth Avenue Project Plan and Reinvestment Zone Financing Plan was adopted on March 26, 2008. The Final Project Plan includes the following development goals and objectives:

The following development goals will meet the specific needs of the Fort Worth Avenue TIF District:

- Create additional taxable value attributable to new private investment in projects in the Fort Worth Avenue TIF District totaling approximately \$1,290,239,340 over 14 years.

Currently anticipated projects within the district will contribute approximately \$240 million in additional taxable value. Projects completed or currently under construction are expected to generate \$20 million in added taxable value. Actual values are up by approximately \$10 million over the base. This increase is approximately 1% of the goal for the area.

- Attract new, higher density, private development in the Fort Worth Avenue TIF District totaling approximately 1,033,910 square feet of retail space and 9,444 residential units including townhome, multi-family, single-family, and condominium projects.

Currently anticipated projects within the district will add 146,250 additional square feet of retail space (14% of goal) and approximately 1,326 residential units (14% of goal). Construction has started at the Villas at the Belmont. When complete, this project will add 34 single-family homes to the district. The project under construction represents 2.6% of the housing goal.

- Focus on encouraging the redevelopment of properties in the Fort Worth Avenue corridor, to increase density, and to provide enhanced urban design for the district that meets the intent of the *Fort Worth Avenue Corridor Land Use and Urban Design Study* and the requirements of the West Commerce Street/Fort Worth Avenue Special Purpose District (PD 714), adopted by Ordinance No. 25898 on February 23, 2005, as amended.

La Reunion Town Center, currently planned for the area around Colorado Avenue and Fort Worth Avenue, will provide a pedestrian-oriented, dense, mixed-use development to replace low-density, two-story apartment buildings.

The Villas at the Belmont, currently under development by Options Real Estate, will provide 34 new townhomes on previously vacant land near Sylvan Avenue.

The Flats at the Belmont and Merchant Homes at the Belmont, currently planned by Options Real Estate Development, will provide 60 new condominium units and 14 new live/work units on land previously occupied by one single-family house.

The Coombs Creek Trail, Trinity Overlook, West Dallas Signature Project, Fort Worth Avenue Streetscape Improvements, reconstruction of Commerce and Beckley, and the Sylvan Plan will provide public infrastructure projects that comply with PD 714 and provide wide sidewalks, street trees, and pedestrian amenities central to the dense urban design as envisioned in the Urban Design Study and as required in PD 714. These projects add an additional \$5,256,273 in non-TIF funds for district-related projects.

- Improve access and connections to the planned improvement of transit services, including a light rail or modern streetcar line, within the district.

The TIF board has appointed three members to an urban design subcommittee that will develop design guidelines for the district. These guidelines will cover both public and private design elements. This document is expected to be adopted by May 30, 2009.

- Increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the district, especially the Trinity River and Coombs Creek.

The proposed La Reunion Town Center project will connect to an extension of the Coombs Creek Trail. Phase I of the trail, from Beckley to Sylvan, is currently under construction. Future phases will follow Coombs

Creek, continue through Stevens Park Golf Course, and connect to the proposed La Reunion Town Center via sidewalks along Hampton Road.

- Maintain the stability of local schools as redevelopment occurs in the housing market.

Leaders from the neighborhood schools have been invited to participate in the TIF district meetings.

- Generate approximately \$69 million (NPV; 2008 dollars) in increment over 21 years, with up to 85 percent participation by the City and 55 percent participation by the County.

TIF increment collections are not scheduled to begin until 2009, so there is no progress to date on this goal. The Villas at the Belmont are partially complete and will begin to contribute to the TIF fund in tax year 2009.

- Diversify retail and commercial uses in the district.

Together, the Merchant Homes at the Belmont and the Flats at the Belmont are planned to contain 9,000 square feet of retail space. In addition, Cliff Café opened in September, 2007 and provided a new restaurant for the district.

La Reunion Town Center is currently planned to provide retail space, including a copy center, a coffee shop, and a small grocery store.

Other retail projects are planned but not yet announced along the corridor.

Year-End Summary of Meetings and Council Items

During the fiscal year from October 1, 2007 to September 30, 2008, the Fort Worth Avenue TIF District Board of Directors held 6 meetings.

The Board can consist of up to ten members, including five City of Dallas appointees, two Dallas Independent School District appointees, one Dallas County appointee, one Dallas Community College District appointee, and one Dallas County Hospital District appointee. On October 2, 2007, the Dallas County Community College District officially waived its right to appoint a representative to the Fort Worth Avenue TIF Board. This action allows the City of Dallas to appoint a total of six members to the board.

During FY 2008 the Board members were: Randall White, city appointee and chairman (attended 6 of 6 meetings); Deborah Carpenter, city appointee and vice chair (attended 6 of 6 meetings); Scott Griggs, city appointee (attended 6 of 6 meetings); JD Jasso, city appointee (attended 5 of 6 meetings); Todd Seib, city appointee (attended 4 of 6

meetings; Orlando Alameda, DISD appointee (attended 6 of 6 meetings); David Rastellini, DISD appointee, (attended 3 of 5 meetings; resigned February 15, 2008) and Rick Loessberg, Dallas County appointee (attended 4 of 6 meetings). Pam Williams was appointed by the City on August 6, 2008, after the final meeting for the fiscal year. The Dallas County Hospital District has not appointed a board member and has not waived its right to do so.

During the fiscal year from October 1, 2007 to September 30, 2008, the City Council approved 11 items associated with the Fort Worth Avenue TIF District:

- On January 9, 2008, the City Council held a public hearing and approved Ordinance Number 27056 granting the creation of a new subdistrict within Planned Development District No. 714, West Commerce Street/ Fort Worth Avenue Special Purpose District, on property zoned a TH-3(A) Townhouse District on the northeast corner of the terminus of Folsom Street, north of Fort Worth Avenue, east of Willomet Avenue.
- On February 27, 2008, the City Council approved Resolution Number 08-0654, authorizing a resolution accepting the FY 2007 Annual Report on the status of Tax Increment Financing Reinvestment Zone Number Fifteen, (Fort Worth Avenue TIF District), submitted by the Fort Worth Avenue TIF District's Board of Directors, and authorizing the City Manager to submit the annual report to other taxing jurisdictions which participate in the District, and to the Attorney General of Texas, and the State Comptroller, as required by state law.
- On February 27, 2008, the City Council approved Resolution Number 08-0656, authorizing (1) a public hearing to be held on March 26, 2008 to receive comments on an amendment to Tax Increment Financing Reinvestment Zone Number Fifteen (Fort Worth Avenue TIF District) to decrease the geographic area of the Fort Worth Avenue TIF District boundary to remove certain parcels located northwest and west of the intersection of Sylvan and Fort Worth Avenue and at the close of the hearing, (2) consideration of an ordinance amending Ordinance No. 26798 to reflect the boundary amendment.
- On March 26, 2008, the City Council approved Ordinance Number 27117 granting an amendment to the conditions and the development plan for Subdistrict 1 within Planned Development District No. 732, on the east terminus of Folsom Street, north of Fort Worth Avenue and west of Sylvan Avenue.
- On March 26, 2008, the City Council approved Resolution Number 08-0924, a public hearing to receive comments on an amendment to Tax Increment Reinvestment Zone Number Fifteen (Fort Worth Avenue TIF District) to decrease the geographic area of the Fort Worth Avenue TIF District boundary to remove certain parcels west and northwest of the intersection of Sylvan Avenue and Fort Worth Avenue.
- On March 26, 2008, the City Council approved Ordinance Number 27128 amending Ordinance No. 26798 to decrease the geographic area of the Fort Worth Avenue TIF District boundary to remove certain parcels west and northwest of the intersection of Sylvan Avenue and Fort Worth Avenue.

- On March 26, 2008, the City Council approved Ordinance Number 27129, an ordinance (1) approving the Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Reinvestment Zone Number Fifteen (Fort Worth Avenue TIF District); and (2) authorizing participation agreements with Dallas County for the Fort Worth Avenue TIF District.
- On May 14, 2008, the City Council approved Resolution Number 08-1423 authorizing (1) an Interlocal Agreement with the North Central Texas Council of Governments for the creation of a master plan to implement the West Dallas Signature Point Project; (2) receipt and deposit of funds from the West Dallas Chamber of Commerce in an amount not to exceed \$25,406; and (3) payment to the North Central Texas Council of Governments for the required local match for the creation of a master plan to implement the West Dallas Signature Point Project.
- On May 14, 2008, the City Council approved Resolution Number 08-1424 authorizing Supplemental Agreement No. 2 to the professional services contract with Bridgefarmer and Associates, Inc. for additional engineering design and surveying services for water and wastewater upgrades for the Beckley Avenue and Commerce Street intersection improvements - Not to exceed \$71,423, from \$203,700 to \$275,123 - Financing: 1998 Bond Funds (\$15,100) and Water Utilities Capital Construction Funds (\$56,323).
- On May 28, 2008, the City Council approved Resolution Number 08-1546, authorizing an Interlocal Agreement with the Texas Department of Transportation for local project funding for construction of the Beckley Avenue improvements, from Gulden Lane to approximately Union Pacific Railroad associated with the Woodall Rodgers Extension (Spur 366) project – Not to exceed \$3,548,304 - Financing: 1998 Bond Funds.
- On June 25, 2008, the City Council approved Resolution Number 08-1783 authorizing approval of By-Laws for Tax Increment Financing Zone Number Fifteen (Fort Worth Avenue TIF District)

Pending TIF Items

The Fort Worth Avenue TIF District is expected to review the following items during the first and second quarters of the FY 2008-2009:

- A potential development agreement for first phase of the La Reunion Town Center project.
- FY 2007-2008 Annual Report for the Fort Worth Avenue TIF district
- Design guidelines for the district

Budget and Spending Status

Each TIF district, in the Project Plan and Reinvestment Zone Financing Plan, establishes a budget for the public improvement expenditures necessary to support private investment in the district. The Fort Worth Avenue TIF District was established in June 2007 and did not collect or allocate any revenue in FY 2007 or 2008.

The Fort Worth Avenue budget and spending to date is shown below.

Fort Worth Avenue TIF District Projected Increment Revenues to Retire TIF Fund Obligations**			
Category	TIF Budget	Allocated	Balance
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$85,234,436	\$0	\$85,234,436
Affordable housing	\$9,851,461	\$0	\$9,851,461
Environmental remediation & demolition	\$11,821,753	\$0	\$11,821,753
Parks, open space, trails, and gateways	\$11,821,753	\$0	\$11,821,753
Façade restoration	\$5,910,877	\$0	\$5,910,877
Grants for high density projects	\$7,881,169	\$0	\$7,881,169
Administration and implementation*	\$4,334,643	\$0	\$4,334,643
Total project costs	\$136,856,092	\$0	\$136,856,092
<i>* Administrative costs are pending until increment collection begins in 2009. **Budget shown above in current dollars, updated yearly; TIF Project Plan shows the budget in net present value. Values above do not include interest payments.</i>			

Fort Worth Avenue TIF District Project Plan Budget (NPV, 2008 dollars)	
Category	TIF Budget*
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$43,259,794
Affordable housing	\$5,000,000
Environmental remediation & demolition	\$6,000,000
Parks, open space, trails, and gateways	\$6,000,000
Façade restoration	\$3,000,000
Grants for high density projects	\$4,000,000
Administration and implementation	\$2,200,000
Total project costs	\$69,459,794
<i>* As approved in the Final Project Plan and Reinvestment Zone Financing Plan.</i>	

FY 2009 Work Program

Pending items for the Fort Worth Avenue TIF District include:

- Encourage development projects within the district in accordance with the final Project Plan and Reinvestment Zone Financing Plan.
- Develop a Strategic Implementation Plan for the district to help identify potential redevelopment opportunities and prioritize use of public investment within the district.
- Develop Design Guidelines for the district.
- Develop an Affordable Housing Policy for the district.

Appendix: Financials

City of Dallas, Texas

Fort Worth Avenue Tax Increment Financing District Fund

Reinvestment Zone Number Fifteen

As of September 30, 2008

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:

\$0 Interest Income	
<u>\$0 Ad Valorem Taxes (Collected in FY'2007-08 based on 2007 Certified Tax Roll)</u>	
<u>\$0</u>	Total Revenue

2. Amount and purpose of expenditures from the fund:

\$26,397 Administrative Expense	
\$0 Non-Capital outlay	
\$0 Capital outlay	
<u>\$0 Interest and fiscal charges</u>	
<u>\$26,397</u>	Total Expenditures

3. TIF administrative costs associated with staff time spent are being accumulated for fiscal years 2007 - 2010 and General Fund will be reimbursed for these costs in fiscal year 2010 upon collection of tax increment by June of 2010.

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

Fort Worth TIF District has incurred no bonded indebtedness as of September 30, 2008.

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

Taxing Jurisdiction	Taxable Value 2008*	Base Year 2007 Value	Est. Captured Value 2008**
City of Dallas	\$96,663,511	\$86,133,447	\$0
Dallas County	\$96,663,511	\$86,133,447	\$0
Dallas Independent School District	\$0	\$0	\$0
Dallas County Hospital District	\$0	\$0	\$0
Dallas County Community College Dist.	\$0	\$0	\$0

*2008 taxable value 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, 2009.

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:

Taxing Jurisdiction	Assessment Per \$100 ***	Amount of Estimated 2008 Increment****
City of Dallas	0.00000	\$0
Dallas County	0.00000	\$0
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	\$0.00000	\$0

*** Participation rate for Dallas County is 0% for 2008 and 55% for years 2009 to 2028.

City of Dallas participates at variable rates as follows:

Tax Year	Rate
2008	0%
2009 - 2010	55%
2011 - 2013	70%
2014 - 2020	85%
2021 - 2022	70%
2023 - 2029	55%

****The District will begin collecting increment in June of 2010.

B. The total amount of estimated tax increment to be billed for the 2008 is shown above. For the 2007 tax year, no increment was received.

City of Dallas, Texas
Fort Worth Avenue Tax Increment Financing District Fund
Balance Sheet as of September 30, 2008
With Comparative Totals for September 30, 2007
(Unaudited)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets:			
Pooled cash and cash equivalents	\$0	\$0	\$0
Interest receivable	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Liabilities and Fund Balance (Deficit):			
Liabilities:			
Accounts and contracts payable	\$0	\$0	\$0
Advances from developers	\$0	\$0	\$0
Accrued interest	\$0	\$0	\$0
Due to general fund	\$46,481	\$20,084	\$0
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$46,481</u>	<u>\$20,084</u>	<u>\$0</u>
Fund Balance (Deficit):			
Fund Balance (Deficit)	<u>(\$46,481)</u>	<u>(\$20,084)</u>	<u>\$0</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<hr/>	<hr/>	<hr/>
	\$0	\$0	\$0

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

	<u>ITD</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:				
Tax increment	\$0	\$0	\$0	\$0
Interest income	\$0	\$0	\$0	\$0
Grant from City	\$0	\$0	\$0	\$0
Net increase (decrease) in fair value of investments	\$0	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:				
Administrative expenses	\$46,481	\$26,397	\$20,084	\$0
Non-capital outlay	\$0	\$0	\$0	\$0
Capital outlay	\$0	\$0	\$0	\$0
Interest and fiscal charges	\$0	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$46,481</u>	<u>\$26,397</u>	<u>\$20,084</u>	<u>\$0</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	<u>(\$46,481)</u>	<u>(\$26,397)</u>	<u>(\$20,084)</u>	<u>\$0</u>
Fund balance (Deficit) at beginning of year				
as previously reported	(\$46,481)	(\$20,084)	\$0	\$0
Prior period restatement	\$0	\$0	\$0	\$0
Fund balance (Deficit) at beginning of year,				
as restated	<u>(\$46,481)</u>	<u>(\$20,084)</u>	<u>\$0</u>	<u>\$0</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (Deficit) at end of year	<u>(\$46,481)</u>	<u>(\$46,481)</u>	<u>(\$20,084)</u>	<u>\$0</u>
	<hr/>	<hr/>	<hr/>	<hr/>

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 2007-08.

City of Dallas, Texas
 Fort Worth Avenue Tax Increment Financing District Fund
 Cash Flow Statement for the Period Ended September 30, 2008
 With Comparative Totals for September 30, 2007
 (Unaudited)

	<u>2008</u>	<u>2007</u>
Operating income (loss)	<u>(\$26,397)</u>	<u>(\$20,084)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in interest receivable	\$0	\$0
Increase (decrease) in accounts payable	\$0	\$0
Increase (decrease) in advances from developers	\$0	\$0
Increase (decrease) in accrued interest	\$0	\$0
Increase (decrease) in amount due to general fund	<u>\$26,397</u>	<u>\$20,084</u>
Total adjustments	\$26,397	\$20,084
Net cash provided by operating activities	<u>\$0</u>	<u>\$0</u>
Cash flows from investing activities:		
Interest on investment activities	\$0	\$0
Net increase (decrease) in fair value of investments	<u>\$0</u>	<u>\$0</u>
Net cash provided by investing activities	<u>\$0</u>	<u>\$0</u>
Net increase (decrease) in pooled cash and cash equivalents	\$0	\$0
Pooled cash and cash equivalents at beginning of year	<u>\$0</u>	<u>\$0</u>
Pooled cash and cash equivalents at end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>
	\$0	\$0

City of Dallas, Texas
Fort Worth Avenue Tax Increment Financing District
Notes to Financial Statements for the Year Ended September 30, 2008

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 Financial Plan permits expenditures not to exceed \$4,334,643 over the life of the TIF to reimburse the City for administrative costs. The Zone incurred \$26,397 in administrative costs for fiscal year 2008 which will be reimbursed to the general fund upon collection of increment in FY'10. Any future remittance for administrative expenses would come from excess cash as tax increment revenue increases as a result of increased assessed values.