

FY 2003-2004
ANNUAL REPORT
REINVESTMENT ZONE NUMBER TWO

CITYPLACE AREA
TAX INCREMENT FINANCING DISTRICT



CITY OF DALLAS

Development Services Department
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Dallas, Texas 75201
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October 1, 2003 – September 30, 2004

Mission Statement

The mission of Tax Increment Financing Reinvestment Zone Number Two, City of Dallas, Texas (Cityplace Area TIF District) is the promotion of the redevelopment, stabilization and growth of the Cityplace Area TIF District area. An accompanying goal is the stabilization and growth of the value of the area's tax base and a positive reversal of urban decay.

Cityplace Area TIF District Accomplishments

The Cityplace Area TIF District continues as a catalyst for development in this busy and prominent residential and commercial neighborhood north of downtown Dallas. West Village is thriving and continues to serve as the center of shopping, entertainment and residential activity. This upscale residential and retail development by Urban Partners, Inc., and Phoenix Property Company has 125,000 square feet of retail space and 179 residential units. Fairfield Residential opened in 2003 and has added 232 upscale apartments and 9,400 square feet of retail space. These two developments, the Boeders Book/Bank project, plus the Mondarin at Cityplace, which is under construction and expected to be completed during the second quarter FY 2004-05 with 218 upscale units and 25,000,000 square feet of retail space, clearly mark Cityplace as the center of residential/retail growth and development in the City of Dallas.

The following is a list of Cityplace TIF District developments. The projects in bold have used or are planning to use TIF funds for public infrastructure improvements. Key: M = Million.

Retail / Office Development Projects

PROJECT	APPROXIMATE INVESTMENT	TIF INVESTMENT	STATUS	YEAR COMPLETE
Hank Haney Golf Center 3636 McKinney Avenue	\$1.0M		Complete	1993
Target Stores 2417 North Haskell Ave.	\$5.6M	\$676,000	Complete	1993
Loews Theatre (formerly Sony Theatre) 2600 North Haskell Avenue	\$10.5M		Complete	1995
Office Max Cityplace Market, Phase II 2415 North Haskell Ave.	\$5.0M	\$258,000	Complete	1994-1995
Taco Bell 2357 Lemmon Avenue	\$0.6M		Complete	1994
Private Mini Storage 2320 North Central Expwy	\$2.3M		Complete	1996
Exxon 2503 Lemmon Avenue	\$1.4M		Complete	1998
Shurgard Storage and Retail Center 2420 North Haskell Avenue	\$3.9M		Complete	1998
Whataburger 2428 North Haskell Avenue	\$0.97M		Complete	1999
3600 McKinney Bookstore/Bank	\$7.0M		Complete	2004
TOTAL	\$38.27M	\$934,000		

Residential/Retail Development Projects

PROJECT	UNITS		APP. INV.	TIF INV.	STATUS	YR. COMPL.
Gables at Turtle Creek (Villas of Cityplace) 3711 Cole Avenue	232	Apts	\$18M	\$760,000	Complete	1995
Porto Bello by the Creek I 3301 Blackburn Street	30	TH	\$9M		Complete	1998
Treymore at Cityplace 2101 North Haskell Avenue	180	Apts.	\$10.5M		Complete	1996
Treymore North 4144 Office Parkway	70	Apts.	\$4.5M		Complete	1997
The Park at Turtle Creek 3377 Blackburn Street	308	Apts.	\$30M		Complete	1998
The Quarters at Cityplace 2403 N. Washington Avenue	244	Apts.	\$18M		Complete	2000
City Gates 4109 Office Parkway	32	Apts.	\$3M		Complete	2001
West Village - Mixed Use	179	Apts., 125K s.f. retail	\$55M		Complete	2001
Drexel Grand Blackburn at Travis	28	Apts.	\$3.5M		Complete	2002
Perry Homes	31	TH	\$6M		Complete	2002
Cascada 3300 Haskel Avenue	20	TH	\$16M		Complete	2003
Fairfield Residential	232	Apts., 9.4K s.f. retail	\$34M	\$960,000	Complete	2003
TOTAL	1,586	Units	\$207.5M	\$1,720,000		

Projects Under Construction

PROJECT		PROJ. DESCR.	APP. INV.	TIF INV.	STATUS	YR. CPL.
The Mandarin at Cityplace	218	Apts, 25K s.f. retail	\$40M	\$1.8M	Under Constr.	2005
TOTAL	218	Units	\$40M	\$1,800,000		

Announced Projects

PROJECT		PROJECT DESCRIPTION	TIF INV.	APP. INV.
Porto Bello by the Creek II Blackburn St. and Cole Ave.	38	townhouses		\$15M
Dallas Services 4200 Office Parkway	18	apartments		\$1.9M
Unity Plaza, Phase I		Cityplace DART Station Inter-modal link - DART Light Rail, Bus & MATA	\$530,000	\$7.371M
TOTAL	56	units	\$530,000	\$23.9M

Future Projects

PROJECT		PROJECT DESCRIPTION	APPROXIMATE INVESTMENT
West Village, Phase II 3107 Blackburn Street	66	Apartments; 4-story, 19,000 s.f. retail, 127 space parking garage	\$7.5M
TOTAL	66	Units	\$7.5M

The Cityplace Area TIF District has fostered major commercial and residential development in this area of Dallas since inception. Since 1992, 22 development projects representing over \$278,770,000 have been constructed or are under construction. This development includes 1,804 apartments and/or other residential units. Announced and future development projects total approximately \$38,718,000.

The Mondrian at Cityplace



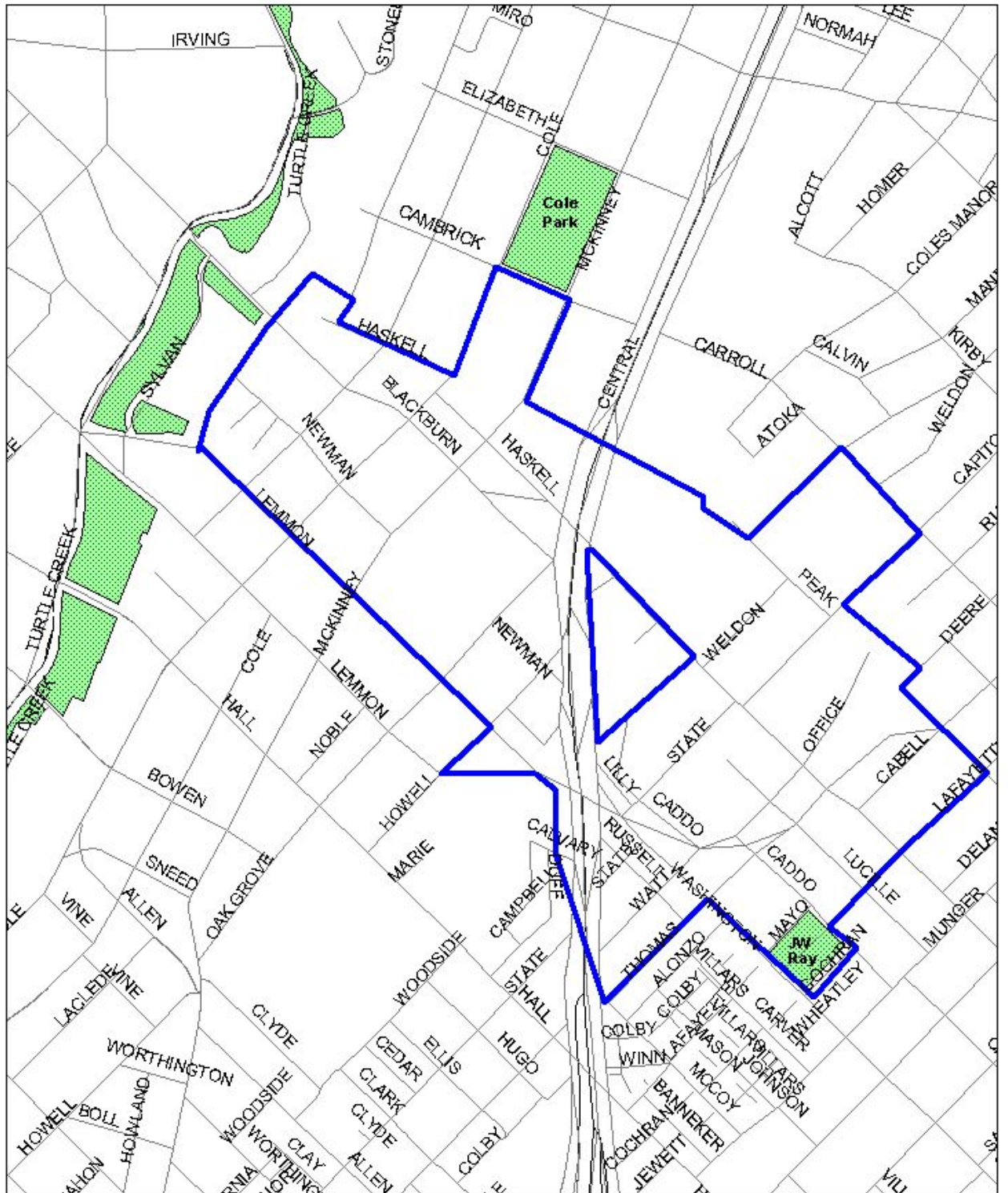
Construction is nearly complete at the intersection of Blackburn Mall and McKinney Avenue. The development consists of 218 upscale apartments and 25,000 square feet of retail space. Construction is expected to be complete in March 2005.

West Village



West Village is thriving and has become the centerpiece for high-density, mixed-use development in Dallas.

Cityplace Area TIF District Map



Cityplace Area TIF District Location Map

 Cityplace TIF Boundary

Economic Development
Development Services Dept.
January 2004



Value and Increment Revenue Summary

The TIF District's assessed 2004 tax value was \$291,065,959, an increase of \$246,000,617 (545.88%) over the base year value (1992) and \$37,400,575 (14.74%) over the previous year's (2003) final total assessed value. The increase will result in an anticipated total collected increment revenue in 2005 from all taxing jurisdictions of \$4,154,385. The construction that occurred in 2004 will be reflected on the 2005 tax roll.

Objectives, Programs, and Success Indicators

On November 11, 1992, the City Council approved Ordinance No. 21465 which created Tax Increment Financing Reinvestment Zone Number Two (Cityplace Area TIF District). The Cityplace Area Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan was approved by the City Council on August 11, 1993 (Ordinance No. 21769). The Project Plan was amended in December 1993 (Ordinance No. 21031) and in November 1996 (Ordinance No. 22959). Among the development objectives of this plan are:

- Complete a program of infrastructure replacement and enhancement to provide a "foundation for development".
- Encourage residential development, including apartments and townhouses.
- Provide opportunities for retail uses supporting neighborhood needs.
- Permit development of high-rise office/commercial/high-density residential use buildings along the freeway frontages.
- Encourage high standards of environmental excellence throughout the area.
- Encourage the development of design standards for public improvements and design guidelines for private development.

The public infrastructure improvements planned for the Cityplace Area TIF District are designed to meet the long-term circulation, lighting, utility and physical amenity needs of the area. Specific improvements include:

- **Central Expressway Bridges**
Construction was completed on this project in 2001.
- **Street, Utility and Intersection Improvements**
TIF Funds were used to fund construction of West Side Utilities, Caddo Street and East Side Utilities. Cityplace West Boulevard, between North Central Expressway and McKinney Avenue, and Noble Avenue. Remaining projects in this category are (1) realignment of Cityplace West Boulevard near Central Expressway to accommodate the construction of Unity Plaza, (2) extension of Oak Grove Avenue and Noble Avenue, and (3) utility burial/relocation, street reconstruction/enhancement and streetscape on Central Expressway Frontage Road and Lemmon Avenue.
- **Blackburn Mall**
Open for traffic. Streetscape construction completed in March 2001.

- **Extension of the McKinney Avenue Trolley Service**
The extension of the McKinney Avenue Trolley was completed with the exception of the turntable during the first quarter of calendar year 2002. The trolley extension provides trolley service to the Cityplace DART station. The construction of the turntable base is planned as a portion of a project for Phase I of Unity Plaza.
- **East Side Retail Entry**
Project may not be needed due to signage currently in place.
- **Historic Freedman's Park and Cemetery**
Freedman's Memorial opened in 1999.
- **DART Improvements**
Cityplace DART opened in December 2000. The Unity Plaza project is planned for the 2005-2006 timeframe to provide public open space, a museum and an inter-modal link between the DART Light Rail Station, DART Bus Service and the McKinney Avenue Trolley. Phase I of the Unity Plaza project is planned for 2004-2005.
- **Katy Trail Improvements**
Basic improvements for Katy Trail were funded by sources other than the Cityplace Area TIF District. The trail opened in 2000. A TIF request for additional funding for Cityplace Katy Trail entryway was is under evaluation by staff.
- **Improvements for Area DISD Schools**
New 30,000 square foot parking lot was constructed at the corner of Haskell and Cole Avenues in front of North Dallas High School to improve parking availability on campus. TIF participation included the reimbursement of expenditures for land conveyance and construction of a parking lot. In August 1999, two lots were purchased on Haskell Avenue across from North Dallas High School to provide campus relief for future development. TIF participation included the reimbursement of land acquisition costs. Concepts were developed and discussed during 2002-2003, which involve improvements to North Dallas High School and the construction of additional parking.
- **Improvement of J. W. Ray Park**
Park improvements were completed in late Summer 2003. The TIF Board committed an additional \$20,000 provided future fund raising efforts are successful.
- **Improvements to Public Open Space**
Cityplace West Boulevard is lighted and lined with Red Oaks and Burgundy Sweetgums. The roadway features a landscaped center median with a trolley line and will include the future development of Unity Plaza at the terminus of the trolley line at the Cityplace DART Light Rail Station.

Year-End Summary of Meetings / City Council Actions and Highlights of Accomplishments

During the one-year period from October 1, 2003 through September 30, 2004, the Cityplace Area TIF District Board of Directors met one (1) time.

During FY 2003-2004, the City Council approved thirteen (13) items associated with the Cityplace Area TIF District.

- On October 22, 2003, the City Council approved Resolution No. 03-2880, authorizing Supplemental Agreement No. 1 to the professional services contract with KPMG LLP for the audit of the City of Dallas' financial operations and grant activities for the fiscal year ending September 30, 2003, to perform an audit of financial operations of the Cityplace TIF District for fiscal years ended September 30, 2000, 2001 and 2002, in connection with the proposed issuance of additional bonds for the Cityplace TIF District in an amount not to exceed \$42,500 (from \$423,000 to \$465,500).
- On November 12, 2003, the City Council approved Resolution No. 03-3088A authorizing a development agreement between the City of Dallas/Cityplace Area TIF District and Oak Creek Partners, LTD for the design and construction of the partial realignment of Cityplace West Boulevard to allow the construction of Unity Plaza.
- On November 12, 2003, the City Council approved Resolution No. 03-3088B, stating the intent of the City of Dallas/Cityplace Area TIF District to reimburse Oak Creek Partners, LTD for the design and construction of the partial realignment of Cityplace West Boulevard to allow the construction of Unity Plaza.
- On January 14, 2004, the City Council approved Resolution No. 04-0228, authorizing the preparation of plans for issuance of \$7,500,000 City of Dallas, Tax Increment Financing Reinvestment Zone Number Two Tax Increment Bonds, Series 2004.
- On February 11, 2004, the City Council, pursuant to Resolution No. 04-0525 approved the Cityplace Area TIF District FY 2002-2003 Annual Report on the financial status of Reinvestment Zone Number Two.
- On February 11, 2004, the City Council approved Resolution No. 04-0563 authorizing a contract with Carleton Residential Properties for the sale of the Intown Housing Section 108 loan for Trey more at Cityplace located at 2101 Haskell with an estimated revenue of \$657,877 (60% of loan value at closing).
- On February 25, 2004, the City Council approved Resolution No. 04-0735 authorizing a construction contract with Jeske Construction Company for paving, drainage and grading improvements including pedestrian bridges at Katy Trail, Phase II in an amount not to exceed \$1,953,891 (funding: 1998 Bond Funds - \$237,559; Capital Projects Reimbursement Funds - \$1,716,332 to be reimbursed from the Statewide Transportation Enhancement Program of the

Transportation Equity Act for the 21st Century.

- On February 25, 2004, the City Council approved Ordinance No. 25512 authorizing abandonment of portions of Oak Grove Avenue, North Central Expressway Service Road and Lemmon Avenue rights-of-way to Blackburn Central Holdings, LP the abutting owner, containing approximately 3982 square feet of land and providing for the dedication of approximately 3982 square feet of land need for street right-of-way and authorizing the quitclaim.
- On March 24, 2004, the City Council approved Resolution No. 04-0969 authorizing a construction contract with North Texas Contracting, Inc. for street paving, storm drainage, water and wastewater improvements, utility burial and relocation and streetscaping related to the development of the Mondarin at Cityplace in an amount not to exceed \$1,762,271.
- On June 23, 2004, the City Council approved Resolution No. 04-2090 rescinding Resolution 03-3088A which authorized a Development Agreement related to the construction of Unity Plaza.
- On June 23, 2004, the City Council approved Resolution No. 04-2091 rescinding Resolution 03-3088B which declared the City's intent to reimburse the developer for improvements related to the construction of Unity Plaza.
- On June 23, 2004, the City Council approved Resolution No. 04-2092 authorizing the use of Series 2004 Cityplace Tax Increment Bond proceeds for payment of project costs associated with the construction of Unity Plaza in an amount not to exceed \$530,000.
- On September 8, 2004, the City Council approved Resolution No. 04-2558 authorizing a twenty-four month professional services contract for three annual audits of the Cityplace TIF District with Frazier Gills, PC in an amount not to exceed \$47,500.

Pending Cityplace Area TIF District Items

- Consideration of a development agreement between the City of Dallas/Cityplace Area TIF District and Gables Realty Limited for the development of The Gables At West Village II.

Cityplace Area TIF Project Budget and Spending Status

Each TIF District establishes a budget for the public improvement expenditures necessary to support private investment in the Project Plan and Reinvestment Zone Financing Plan. The Cityplace Area TIF District budget is shown below.

Cityplace Area TIF Project Plan Budget As of Year Ended September 30, 2004

Project Name	Total in 1992 Dollars	Expended & Committed*	Balance**
Central Expressway Bridges	\$ 2,585,909	\$ 2,585,909	0
Street, Utility, Intersection Improvements	\$ 7,339,091	\$ 6,284,871	\$ 1,054,220
Blackburn Mall	\$ 3,500,000	\$ 3,500,000	0
DART	\$ 3,500,000	\$ 3,500,000	0
Extension of McKinney Avenue Trolley	\$ 1,000,000	\$ 1,000,000	0
East Side Retail Entry***	0	0	0
Freedman's Park and Cemetery	\$ 50,000	\$ 50,000	0
Improvement of J.W. Ray Park****	0	0	0
Improvements for DISD Schools	\$ 2,571,000	\$ 1,613,280	\$ 957,720
Improvements to Katy Trail***	0	0	\$ 0
Improvements to Public Open Spaces	\$ 1,500,000	\$ 793,584	\$ 706,414
Interest Earnings	0	0	\$ 115,000
Totals	\$22,046,000	\$19,327,644	\$ 2,833,356 *****

Notes: Expended & Committed*- Past expenditures and amounts allocated for projects not adjusted to 1992 base.
 Balance** - Amounts available for future projects.
 Improvements to Katy Trail*** and East Side Retail Entry*** budget categories were combined with "Street, Utility, intersection Improvement" category.
 Improvement of J.W. Ray Park**** category was combined with "Improvements to DISD Schools" category.
 This budget was approved by City Council on November 14, 2001.
 Amount will increase as it is updated to 1992 base. *****

Cityplace Area TIF District Construction Contracts and Minority Participation

Project	Contractor	Contract Awarded (TIF)	% Minority Participation
Villas at Cityplace / Gables	Jim Bowman Constr.	\$ 642,074	47.04%
Office Max	Con-Real Support Gp.	\$ 133,504	88.67%
DISD Parking Lot Construction	Allied Builders, Inc.	\$ 295,000	74.46%
Bridges		\$2,585,909	NA
DART		\$3,500,000	NA
Blackburn	Ed Bell Construction	\$1,813,981	26.12%
Blackburn	Ed Bell Construction	\$1,210,731	17.92%
Blackburn	TXU Electric	\$ 75,000	NA
Freedman's Cemetery	Henneberger Construction	\$ 50,000 TIF \$ (\$222,000)	5.98%
Cityplace West Blvd	Tiseo Paving Company	\$2,049,536	16.25%
McKinney Ave Trolley Extension	Texas-Sterling Construction	\$ 900,000 TIF \$ (\$5,821,788)	25.07%
Fairfield Residential	Gibson and Associates, Inc.	\$ 960,000 TIF \$	10.53 %
Mondarin at Cityplace	North Texas Contracting	\$1,149,271 TIF \$	19.43%
Katy Trail Extension	Jeske Construction	\$1,953,891	18.17%

FY 2004-2005 Work Program

- **Cityplace Area TIF Bonds** – Retire existing bonds.
- **DISD Improvements Project** – Continue planning for the design and construction of the improvements at North Dallas High School.
- **Marketing and Development** – Continue to seek growth in the District through attraction of mixed-use, high-density development.
- **Infrastructure development** – continue construction of infrastructure for development of the remainder of the District.
- **Unity Plaza** – Design and construct the Phase I elements and work with Cityplace Co. to attract funding for Phase II of the project.

Cityplace Area TIF District Board of Directors Recommendations

The Cityplace Area TIF District Board recommends that the public improvements as outlined in the Project and Financing Plan continue during FY 2004-2005.