

ORDINANCE NO. 29340

AN ORDINANCE OF THE CITY OF DALLAS, DESIGNATING A CERTAIN AREA AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWENTY, CITY OF DALLAS, TEXAS (THE "MALL AREA REDEVELOPMENT TIF DISTRICT"); ESTABLISHING A BOARD OF DIRECTORS; ESTABLISHING AN EFFECTIVE DATE; ESTABLISHING A TAX INCREMENT FUND FOR THE MALL AREA REDEVELOPMENT TIF DISTRICT; PROVIDING A SEVERABILITY CLAUSE; AND ENACTING OTHER MATTERS RELATED THERETO.

WHEREAS, the City desires to promote the development and redevelopment of the Valley View Center Mall area and the Southwest Center Mall area by creating a tax increment financing ("TIF") reinvestment zone, (the "Mall Area Redevelopment TIF District"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Tax Code as amended, (the "Act"); and

WHEREAS, on February 23, 2005, the City Council authorized the Criteria for Evaluating Potential TIF Districts as a policy tool for the Area Redevelopment Program by Resolution No. 09-2761, as amended; and

WHEREAS, the City has prepared the preliminary project plan and reinvestment zone financing plan for the proposed zone in conformance with the approved criteria; and

WHEREAS, the City Council finds that the Valley View Center Mall area and the Southwest Center Mall area (as shown in **Exhibit A-2**) substantially impair the sound growth of the municipality and that development or redevelopment of the Mall Area Redevelopment TIF District would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, in accordance with the Act, the City held a public hearing on the creation of the proposed reinvestment zone and its benefits to the City and to property in the proposed reinvestment zone; and

WHEREAS, in compliance with the Act, the City called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and to the property, residents and property owners within the proposed reinvestment zone; and

WHEREAS, the Act further requires the City to publish notice of the hearing in a newspaper having general circulation in the City; and

WHEREAS, in compliance with the Act, notice of such public hearing was published in the Dallas Morning News, a daily paper of general circulation in the City, such publication date being not later than seven days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 14th day of May, 2014, at 1:00 p.m., at the Council Chamber in the City Hall of the City of Dallas, which hearing was then closed; and

WHEREAS, the City, at such hearing, invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, as described in **Exhibit A-1 (General Boundary Description) and Exhibit A-2 (Map of Mall Area Redevelopment TIF Reinvestment Zone)** attached hereto, whether all or part of the territory which is described and depicted in **Exhibit A-1** and **Exhibit A-2** should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors for the proposed reinvestment zone; and

WHEREAS, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given the opportunity at such public hearing to protest the creation and to protest the inclusion of property in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the reinvestment zone; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, attached hereto as **Exhibit B**.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City hereby creates a reinvestment zone over the area generally described in **Exhibit A-1** and depicted by the map attached hereto as **Exhibit A-2**, and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number Twenty, City of Dallas, Texas to be known as the Mall Area Redevelopment TIF District.

SECTION 2. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 3. That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law.
- (b) That creation of the proposed reinvestment zone with boundaries as described in **Exhibit A-1** and depicted in **Exhibit A-2** will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.
- (c) That the preliminary project plan and reinvestment zone financing plan for the development or redevelopment of the Valley View Center Mall area and the Southwest Center Mall area contains a list of proposed public works or public improvements designed to facilitate a mix of new housing, new retail, new office, and other commercial uses, and public infrastructure to support a more pedestrian oriented environment, and funding to help provide public open space.
- (d) That the reinvestment zone, as defined in **Exhibit A-1** and **Exhibit A-2**, meets the criteria for the creation of a reinvestment zone as set forth in the Act in that:
 - (1) The reinvestment zone is a contiguous or noncontiguous geographic area located wholly within the corporate limits of the City.
 - (2) The area within the reinvestment zone substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public welfare in its present condition and use because of the presence of: (1) inadequate street and sidewalk layout, (2) faulty lot layout in relation to size, adequacy, accessibility, or usefulness, (3) vacant land, (4) vacant and/or deteriorating structures, (5) deteriorating public infrastructure, and (6) a lack of parks and open space.
- (e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal roll of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal roll of the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.

SECTION 3. (Continued)

- (f) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City.
- (g) That not more than 30 percent of the property in the proposed reinvestment zone, excluding property that is publicly owned, is used for residential purposes, within the meaning of the Act.
- (h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 4. That the City hereby creates a reinvestment zone over the area described in **Exhibit A-1** and depicted by the map attached hereto as **Exhibit A-2**, and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number Twenty, City of Dallas, Texas to be known as the Mall Area Redevelopment TIF District.

SECTION 5. That there is hereby established a board of directors for the Mall Area Redevelopment TIF District which shall consist of up to 7 members. The board of directors for the Mall Area Redevelopment TIF District shall be appointed as follows (subject to change if the requirements of the Act necessitate a change):

- (a) Six (6) members shall be appointed by the City Council, and one (1) member may be appointed by the Dallas County Commissioners Court. However, if the Dallas County Commissioners Court does not approve a participation agreement to contribute all or part of its tax increment into the tax increment fund or if the Dallas County Commissioners Court waives its right to appoint a member of the board, the City Council may appoint such a board member in its stead.
- (b) The initial board of directors shall be appointed by resolution of the City Council and by court order of the Dallas County Commissioners Court as provided herein within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet eligibility requirements as set forth in the Act.
- (c) The terms of the City-appointed board members shall be for two years. Each year, the Mayor shall nominate a member of the board to serve as chairman of the board of directors, subject to City Council approval, and the board shall elect from its members a vice chairman. The City staff liaison to the board shall serve as the board secretary.

SECTION 5. (Continued)

- (d) The board of directors shall make recommendations to the City Council concerning the administration of the Mall Area Redevelopment TIF District. It shall prepare and adopt a final project plan and reinvestment zone financing plan for the Mall Area Redevelopment TIF District and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement, and monitor such project plans for the Mall Area Redevelopment TIF District, as the City Council considers advisable, including the submission of an annual report on the status of the Mall Area Redevelopment TIF District.

SECTION 6. That the collection period for tax increment revenues for the Mall Area Redevelopment TIF District shall begin on January 1, 2015 and end on December 31, 2044, (including collection of the 2044 increment in calendar year 2045 and any related matters to be concluded in 2045) or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Mall Area Redevelopment TIF District should be terminated due to insufficient private investment, or at such time as all project costs have been paid in full. Additionally, if private investment of at least \$100 million has not occurred within five years of the adoption of the final project plan and reinvestment zone financing plan, the City Council may desire to dissolve the TIF District, subject to the satisfaction of all outstanding financial obligations of the tax increment fund.

SECTION 7. That the tax increment base for the Mall Area Redevelopment TIF District, which is the total appraised value of all taxable real property located in the Mall Area Redevelopment TIF District, is to be determined as of January 1, 2014, the year in which the Mall Area Redevelopment TIF District was designated a reinvestment zone. For detailed information involving the appraised value of the property in the Mall Area Redevelopment TIF District, see attached **Exhibit B**.

SECTION 8. That there is hereby confirmed the establishment of a tax increment fund for the Mall Area Redevelopment TIF District which may be divided into such sub accounts as may be authorized by subsequent resolution or ordinance, into which all tax increments produced by the City and any other participating jurisdictions pursuant to the terms of a participation agreement, less any of the amounts not required to be paid into the tax Increment fund pursuant to the Act, are to be deposited.

SECTION 8. (Continued)

The City's final participation level for the tax increment fund will be determined by the final project plan and reinvestment zone financing plan. The tax increment fund and any sub accounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the final project plan and reinvestment zone financing plan, and other revenues to be dedicated to and used in the Mall Area Redevelopment TIF District shall be deposited into such fund or sub account from which money will be disbursed to pay project costs for the Mall Area Redevelopment TIF District.

SECTION 9. That the Mall Area Redevelopment TIF District is designated as a reinvestment zone under Section 311.005(a)(1) of the Act.

SECTION 10. That the total reimbursable project costs to be adopted in the preliminary project plan and reinvestment zone financing plan are estimated to be approximately \$432,450,706 in total dollars (NPV value in 2014 dollars of \$182,947,606).

SECTION 11. That the City may consider TIF bond sales in accordance with the City's Financial Management Performance Criteria if tax increment revenues are sufficient to support debt service in the future.

SECTION 12. That subject to the approval of the City Council, the board of directors of the Mall Area Redevelopment TIF District, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the City and paid into the tax increment fund for activities that benefit the zone and stimulate business and commercial activity in the zone.

SECTION 13. That Mixed Income Housing Guidelines will be developed for the Mall Area Redevelopment TIF District.

SECTION 14. That Urban Design Guidelines will be developed for the Mall Area Redevelopment TIF District.

SECTION 15. That developers receiving TIF funding shall comply with the City's Fair Share Guidelines for private construction.

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SECTION 16. That if any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or un-enforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 17. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

WARREN M. S. ERNST
CITY ATTORNEY

By 
Assistant City Attorney

Passed MAY 14 2014

Exhibit A-1**General Boundary Description
Mall Area Redevelopment TIF Reinvestment Zone**

The Mall Area Redevelopment TIF District shall comprise two non-contiguous sub-districts—the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and the Westmoreland-IH 20 Sub-District for the Southwest Center Mall area in southern Dallas.

The Montfort-IH 635 Sub-District is generally bounded by Alpha Road, Preston Road, Noel Road, and Interstate Highway 635 (LBJ Freeway). The Montfort-IH 635 Sub-District encompasses approximately 173.9 acres, not including rights-of-way.

The Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Highway 67 (Marvin D. Love Freeway), and Interstate Highway 20 (LBJ Freeway). The Westmoreland-IH 20 Sub-District encompasses approximately 96.6 acres, not including rights-of-way.

District boundaries that follow public streets and highways shall be construed to extend to the far sides of such rights-of-way, measured from the reinvestment zone, except where zone boundaries abut another TIF zone or the jurisdictional limits of another City. In such cases, the boundary shall run to the centerline of the right-of-way. Boundaries that approximate property lines shall be construed as following such property lines.

See Exhibit A-2 for a detailed boundary map.

Exhibit A-2
Map of Mall Area Redevelopment TIF Reinvestment Zone

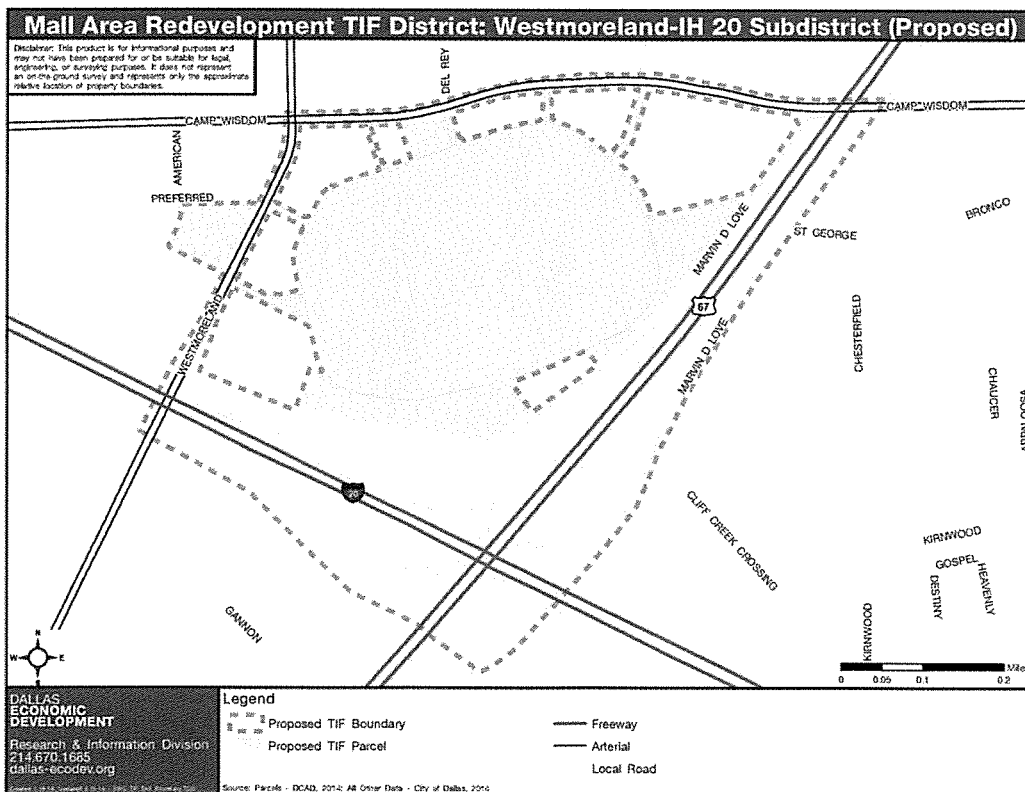
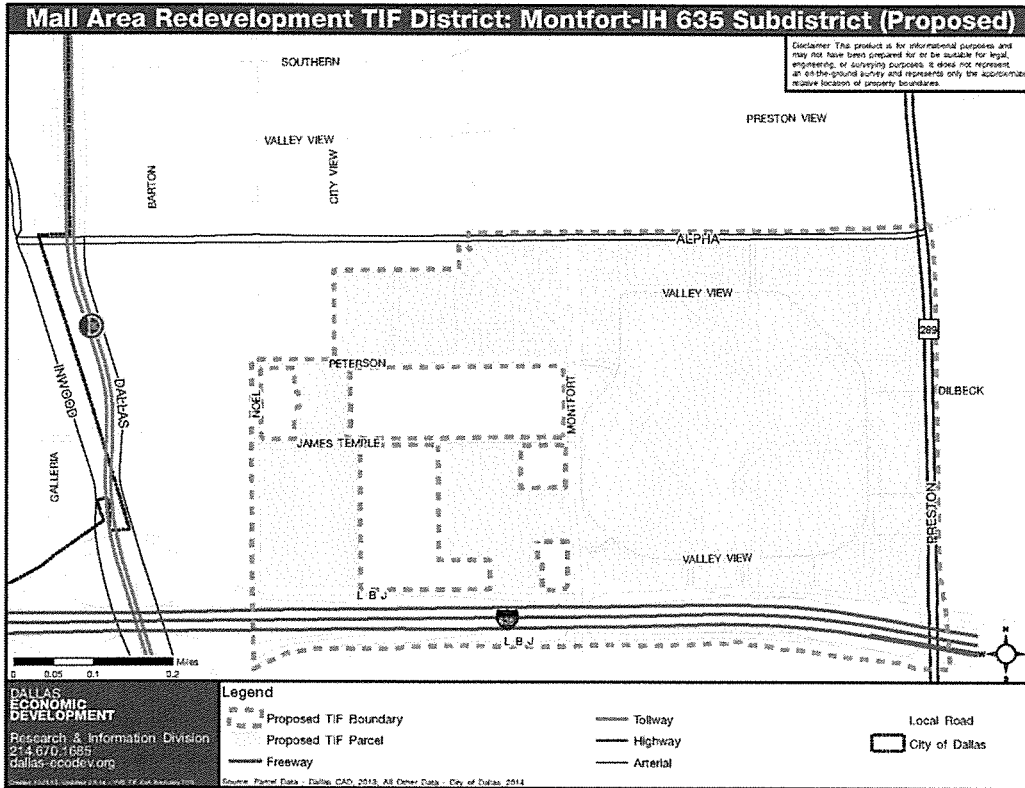


Exhibit B

**MALL AREA REDEVELOPMENT
TAX INCREMENT FINANCING DISTRICT**

(COMPRISING THE VALLEY VIEW CENTER MALL AREA AND SOUTHWEST CENTER MALL AREA)



**PRELIMINARY PROJECT PLAN
&
REINVESTMENT ZONE FINANCING PLAN**

MAY 2014



City of Dallas

Exhibit B

Acknowledgements

The Mall Area Redevelopment TIF District Preliminary Project Plan and Reinvestment Zone Financing Plan was prepared by the City of Dallas, Office of Economic Development (the Montfort-IH 635 Sub-District was partially based on an initial analysis prepared by Stein Planning, LLC). The Office of Economic Development wishes to acknowledge the efforts of everyone who contributed to the development of this plan, including the following individuals:

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Pam Thompson	Economic Development Analyst, OED
Barbara Martinez	Assistant City Attorney, City Attorney's Office
Sarah Hasib	Assistant City Attorney, City Attorney's Office

Dallas City Council

Mayor Mike Rawlings
 District 1 - Scott Griggs
 District 2 - Adam Medrano
 District 3 - Vonciel Jones Hill
 District 4 - Dwaine R. Caraway
 District 5 - Rick Callahan
 District 6 - Deputy Mayor Pro Tem Monica R. Alonzo
 District 7 - Carolyn R. Davis
 District 8 - Mayor Pro Tem Tennell Atkins
 District 9 - Sheffie Kadane
 District 10 - Jerry R. Allen
 District 11 - Lee M. Kleinman
 District 12 - Sandy Greyson
 District 13 - Jennifer Staubach Gates
 District 14 - Philip T. Kingston

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Section 1: Project Plan

Background

The proposed Mall Area Redevelopment Tax Increment Financing (TIF) District (“District”) represents the City of Dallas’ effort to encourage the sustainable redevelopment of properties including and around two obsolete shopping malls while taking advantage of each area’s strategic regional location at the crossroads of key transportation corridors. As allowed by Chapter 311 of the Texas Tax Code, the proposed District shall comprise two non-contiguous sub-districts—the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and the Westmoreland-IH 20 Sub-District for the Southwest Center Mall area in southern Dallas.

Originally, the Valley View Center Mall and the Southwest Center Mall were created by complex configurations of super-blocks, private land ownership, and reciprocal easement agreements that bound multiple owners together. Over the last decade as market conditions have shifted significantly, these same configurations have heavily burdened each mall area, making redevelopment and revitalization extremely difficult without public participation. With the assistance of the proposed Mall Area Redevelopment TIF District, each mall area is to be reconfigured into a traditional pattern of public streets, public open space, public infrastructure, and smaller parcels of private land ownership, thereby setting the stage for incremental redevelopment that is flexible to meet market and community needs.

Montfort-IH 635 Sub-District

The crossroads of Interstate Highway 635 (LBJ Freeway), the Dallas North Tollway, and Preston Road (SH 289) has been one of Dallas’ major regional business centers with significant Class A office space, strong destination retail, and several high quality hotels. Preston Road registers over 50,000 vehicles per day, the Dallas North Tollway registers over 120,000 vehicles per day, and LBJ Freeway (currently undergoing \$2.7 billion in improvements) provides access to more than 250,000 vehicles daily (estimated 450,000 vehicles daily upon completion). However, despite its general locational advantages, portions of the area have experienced significant economic and physical decline over the last twenty years, and substantial revitalization and orderly redevelopment of the area is not likely to occur without public assistance. As such, this area is identified as a key growth area in the City of Dallas Strategic Engagement Plan as well as the forwardDallas! Comprehensive Plan. Further, this area fulfills the criteria for the City Council’s citywide “megasite” redevelopment opportunity area goal as outlined in the FY 2011-2012 Strategic Plan.

Valley View Center Mall, itself, is economically and physically obsolete. The first anchor of what later became Valley View Center Mall was the Sears store which opened in the mid-1960s, followed by the in-line mall development which opened in 1973. The Galleria (one-half mile to the west of Valley View Center Mall) opened in 1982. While the Galleria continues to be a strong destination retail site, the Valley View Center Mall site and many of its surrounding properties have significantly declined over the past decade.

Exhibit B

The Sears store continues to operate as the only anchor; however, due to the closing of the other major anchors at Valley View Center Mall and changes in mall ownership, the overall property is significantly under performing and is mostly vacant. Multi-family housing stock in the area is also aging and deteriorating. Both the mall and the surrounding retail do not reflect the potential that exists based on the strong residential communities as well as office uses nearby.

This strong base in the surrounding community as well as the strategic regional location indicate the area would likely support increased density and diversified uses such as additional housing choices, shopping, entertainment, hospitality, and office uses. The Galleria has continued to serve this market, and, with new ownership of a substantial portion of Valley View Mall to serve as a catalyst, there is strong interest in concerted public and private efforts aimed at the revitalization of Valley View Center Mall and the surrounding area.

From 2011 to 2013, a public-private partnership was forged among the City of Dallas, the North Dallas Chamber of Commerce, and many other stakeholders in the area, including property and business owners. The partnership resulted in a process to develop an area planning study in 2012-13. Adopted in May 2013, the Valley View-Galleria Area Plan ("Area Plan") resulted in the creation of a unified vision and implementation plan for the redevelopment and economic growth of approximately 440 acres in this area. The Area Plan establishes a comprehensive vision to guide future private investment, economic development, and public infrastructure investments in a coordinated fashion towards optimal tax base, quality of life, and accessibility.

Exhibit A Valley View-Galleria Area Plan Adopted Illustrative Vision

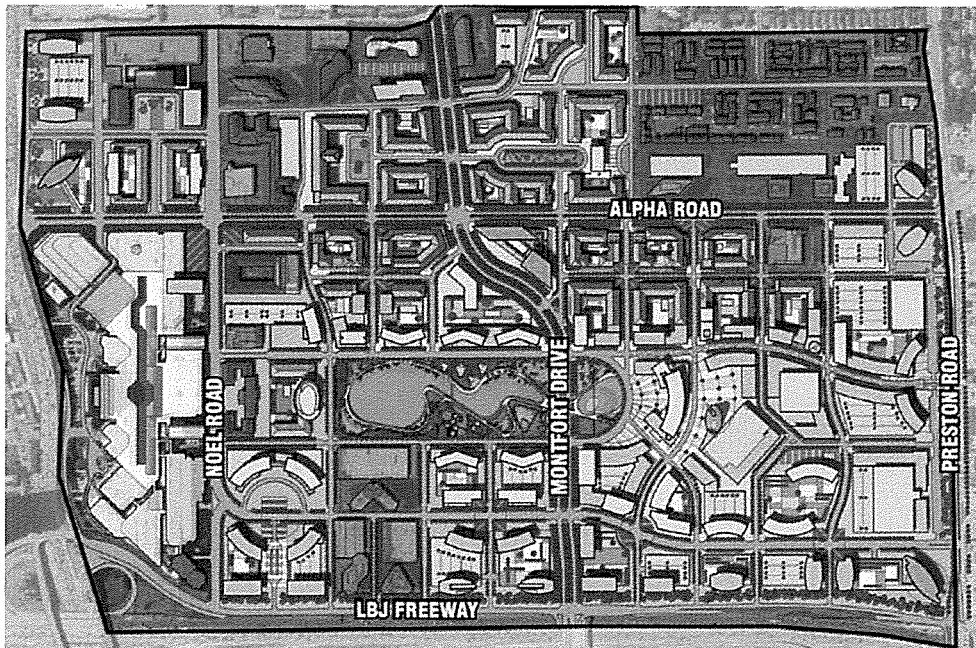


Exhibit B

The adopted illustrative vision (as shown in Exhibit A) for the area is of a new mixed use neighborhood (higher density and pedestrian friendly) that is: (1) anchored by a large central park; (2) supported by vibrant retail uses, office uses, entertainment uses, and mixed housing choices; (3) connected by an integrated network of walkable streets and open spaces, and (4) eventually linked to the Dallas Area Rapid Transit (DART) light rail network via an underground line connecting the existing Red Line with the proposed Cotton Belt Line.

Two key opportunities identified in the Area Plan are: (1) to break down the super blocks into pedestrian-scale developable parcels in order to provide a more walkable urban fabric, and (2) to provide a community-scale central park with the potential to serve as a regional destination that will also support local residents, workers, and visitors, making up for a severe lack of open space in the area.

Following the adoption of the Area Plan in May 2013, the City of Dallas has coordinated with owners of a substantial amount of land in the area, including Beck Ventures, Diversion Capital Partners, Sears Roebuck and Co., and EF Properties to analyze and potentially designate a TIF district for the area.

Existing Conditions

Most of the proposed Sub-District is characterized by a wide variety of commercial property types as well as two multi-family residential properties ranging in age from thirty to fifty years. Many of these properties are economically or physically obsolete. In its present condition, the area exhibits deteriorated structures, an inadequate sidewalk and street layout, large tracts of vacant land, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of the City and property within the proposed Sub-District. No property in the proposed Sub-District is currently being used for residential use with fewer than five living units. Photos of property in the proposed Sub-District show deteriorated public infrastructure and building stock (see Exhibit B). Many of the commercial structures in the Sub-District were developed in the 1960s and 1970s. Many streets and utilities are now over fifty years old and require significant improvements.

Existing Zoning and Existing Land Uses

The Area Plan also served as the basis for the City to undertake an area-wide form-based rezoning to PD 887 (Valley View-Galleria Area Special Purpose District), thereby ensuring a sound regulatory framework to encourage economic development consistent with the vision. This zoning designation governs nearly all of the proposed Sub-District. Prior to the adoption of PD 887 in June 2013, the existing zoning in the area had been a patchwork quilt of over twenty different zoning categories that reflected a disorderly development pattern. Additionally, the City undertook an associated Thoroughfare Plan amendment for the area in June 2013 to ensure compatibility between key roadways and anticipated future land uses.

See Exhibit C for a map of existing zoning in the Sub-District and Exhibit D for a map of existing land uses in the Sub-District.

Exhibit B

The proposed Sub-District is being considered for designation by the City of Dallas, pursuant to Section 311.005, Texas Tax Code, because the City finds that the Montfort-IH 635 area substantially impairs the sound growth of Dallas, retards the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public welfare due to a substantial number of substandard, deteriorating, and deteriorated structures and infrastructure as well as a severe lack of parks and open spaces. The proposed Sub-District is consistent with the City's adopted Area Plan and will serve as a long-term tool to implement the shared vision for the area by further leveraging the regulatory framework (PD 887 form-based zoning and Thoroughfare Plan amendment) already in place. The public improvement program of the proposed Sub-District will encourage new private redevelopment that is not likely to occur solely through private investment, thereby offering employment and quality living for the people of Dallas for years to come.

Exhibit B
Existing Conditions Images
Montfort-IH 635 Sub-District



Exhibit B

Exhibit C Existing Zoning Montfort-IH 635 Sub-District

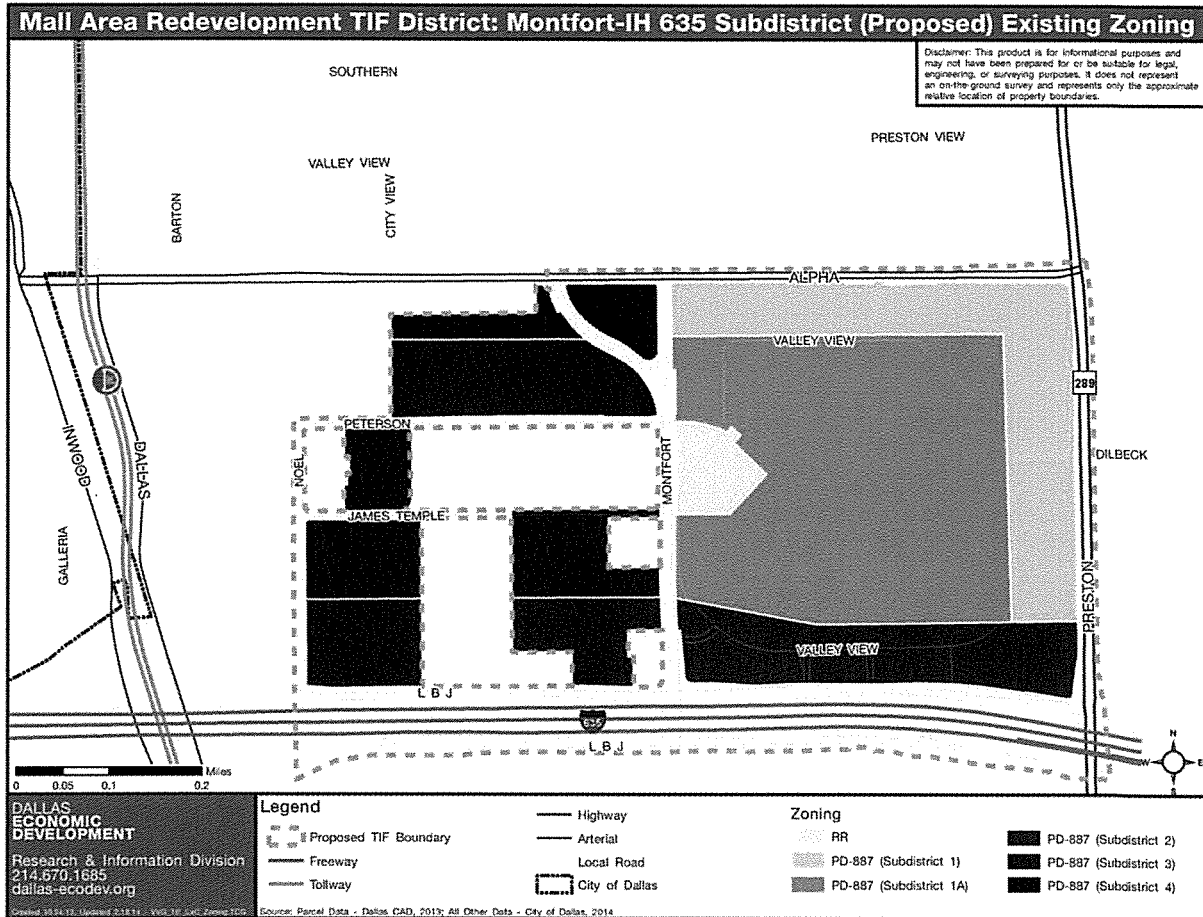


Exhibit D Existing Land Use Montfort-IH 635 Sub-District

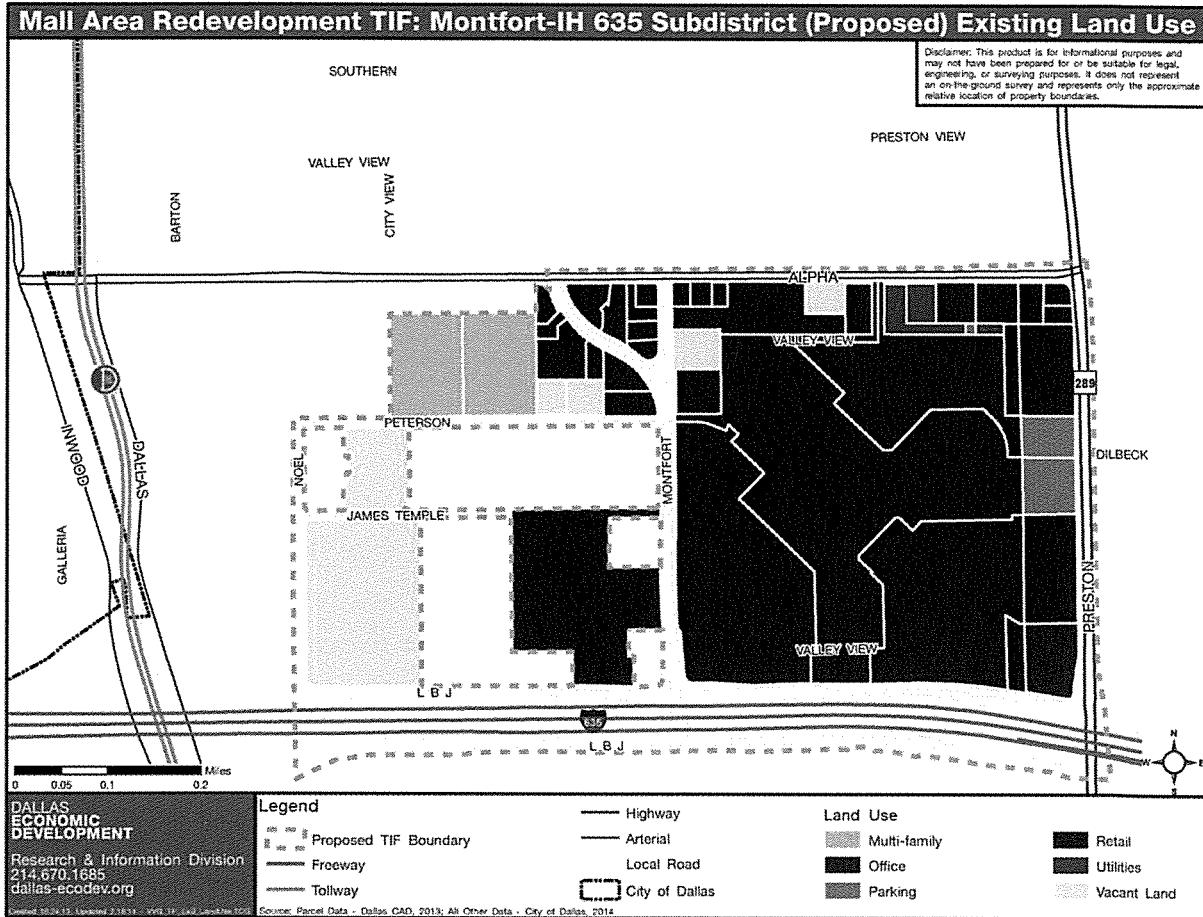


Exhibit B

Description of the Montfort-IH 635 Sub-District

As depicted in Exhibit E, the proposed Montfort-IH 635 Sub-District is generally bounded by Alpha Road, Preston Road, Noel Road, and LBJ Freeway. Boundaries that follow public streets and highways shall be construed to extend to the far sides of such rights-of-way. Boundaries that approximate property lines shall be construed as following such property lines. The Sub-District encompasses approximately 173.9 acres, not including rights-of-way. Taxable land for 2014 is expected to be 168.3 acres.

In order to optimize the reliability of the TIF increment projections as well as the TIF project needs, the Sub-District boundary has been drawn at its inception to include only the most underutilized and vacant parcels in the area that are anticipated to begin redevelopment in the short-term (i.e. next 5 years). Beyond the next 5 years, other parcels in the immediate area may emerge and ripen for redevelopment.

Based on the 2013 certified tax roll from the Dallas Central Appraisal District ("DCAD"), the total appraised value of taxable real property (46 parcels) in the Sub-District is estimated to be \$142.7 million.

**Exhibit E
Montfort-IH 635 Sub-District Map**

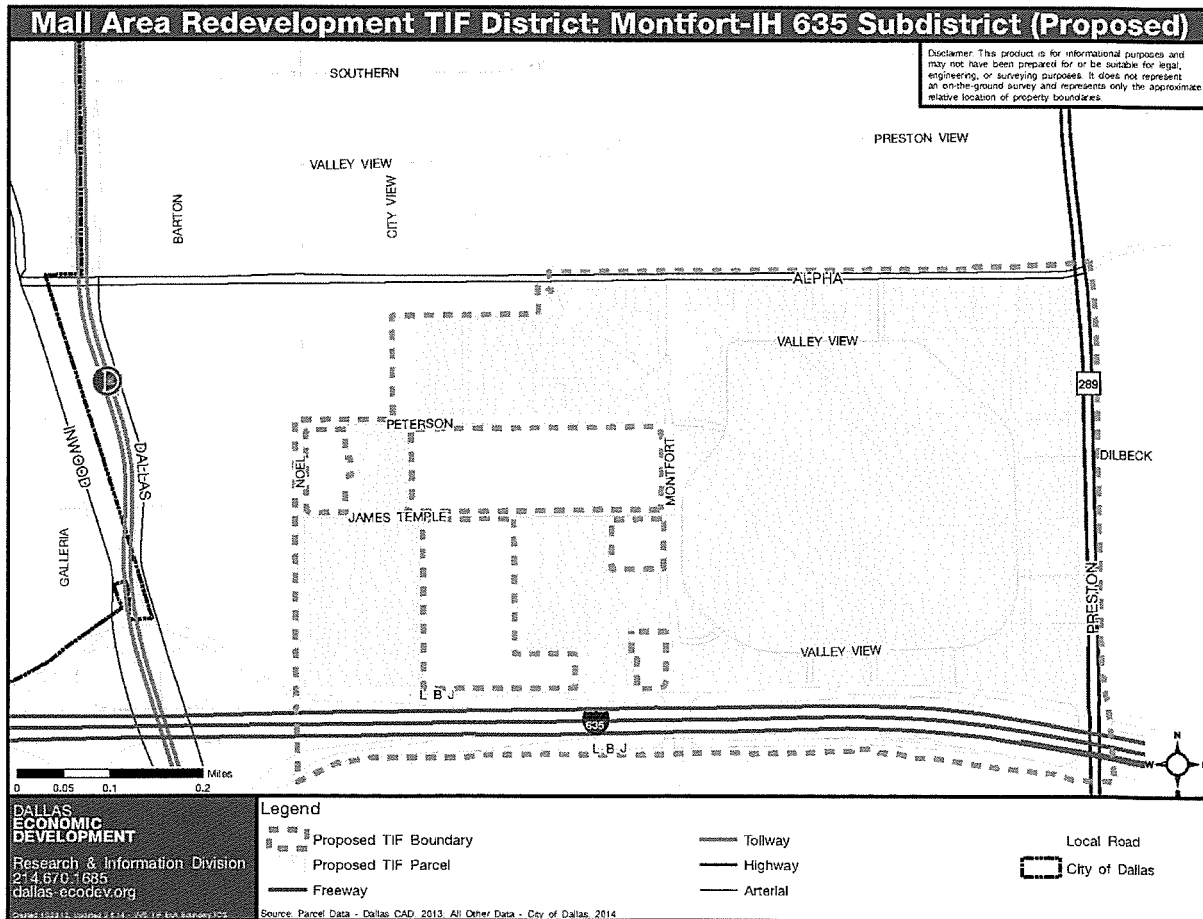


Exhibit B

Westmoreland-IH 20 Sub-District

The crossroads of Marvin D. Love Freeway (Highway 67), LBJ Freeway (Interstate Highway 20), Westmoreland Road, and Camp Wisdom Road has been one of southern Dallas' major regional business areas. Marvin D. Love Freeway registers over 85,000 vehicles per day, and LBJ Freeway provides access to more than 166,000 vehicles daily. However, despite the general locational advantages, portions of the area have experienced significant economic and physical decline over the last twenty years, and substantial revitalization and orderly redevelopment of the area is not likely to occur without public assistance. As such, this area is identified as a key focus area in the City of Dallas Strategic Engagement Plan as well as the forwardDallas! Comprehensive Plan. Further, this area is identified as a core investment area in the City Council's FY 2012-2013 Strategic Plan as well as the Mayor's GrowSouth initiative.

Built in 1975 by the DeBartolo Company, the Southwest Center Mall is located 11 miles south of downtown Dallas. When it opened, it was the only regional mall in southern Dallas and was named Red Bird Mall after the community it served. Designed as a typical center-oriented mall with large anchor stores surrounding a core of smaller in-line retail spaces, Southwest Center Mall was built with 1.1 million square feet of space (including the anchor stores).

The mall's customer base began to weaken soon after completion due to competition from newer retail space built nearby. In 2001, new owners renamed the mall Southwest Center Mall after investing in revitalizing improvements, primarily a food court. Nevertheless, over the past several years, as more competition has occurred with newer nearby retail centers, decline has quickened.

Montgomery Ward went bankrupt and liquidated in 2001. Its anchor building is currently occupied by Burlington Coat Factory. JC Penney also vacated its anchor building in 2001 and left for nearby Cedar Hill. JC Penney's anchor building was demolished in 2012. Dillard's (originally Titcher's and then Joske's) vacated its anchor building in 2006 and left for the same nearby location. The Dillard's anchor building remains vacant today. In 2006, Macy's replaced Foley's (originally Sanger-Harris) when the May Company was acquired by Federated Department Store. The three current anchors—Macy's, Sears, and Burlington Coat Factory—are operating but have been impacted by the turnover at the mall. The in-line portion of the mall has changed ownership several times in recent decades because of bankruptcies and foreclosures. Over half the floor space is vacant, consumer traffic is low, and the configuration is obsolete.

In 2009, the City of Dallas sponsored a five-day visit by a group of nine real estate development experts with the Urban Land Institute (ULI). Known as a ULI Advisory Services Panel ("Panel"), the group's assignment was to formulate a plan to revitalize the Southwest Center Mall by exploring alternative uses for the anchor stores, studying the feasibility of mixed uses, and considering the desirability of civic and public uses to contribute to a sense of place at the Southwest Center Mall area. The Panel also considered strategies for public investment through public/private partnerships to address the challenging economic and infrastructure needs. The Panel was also charged with formulating implementation strategies for achieving its recommendations.

Exhibit B

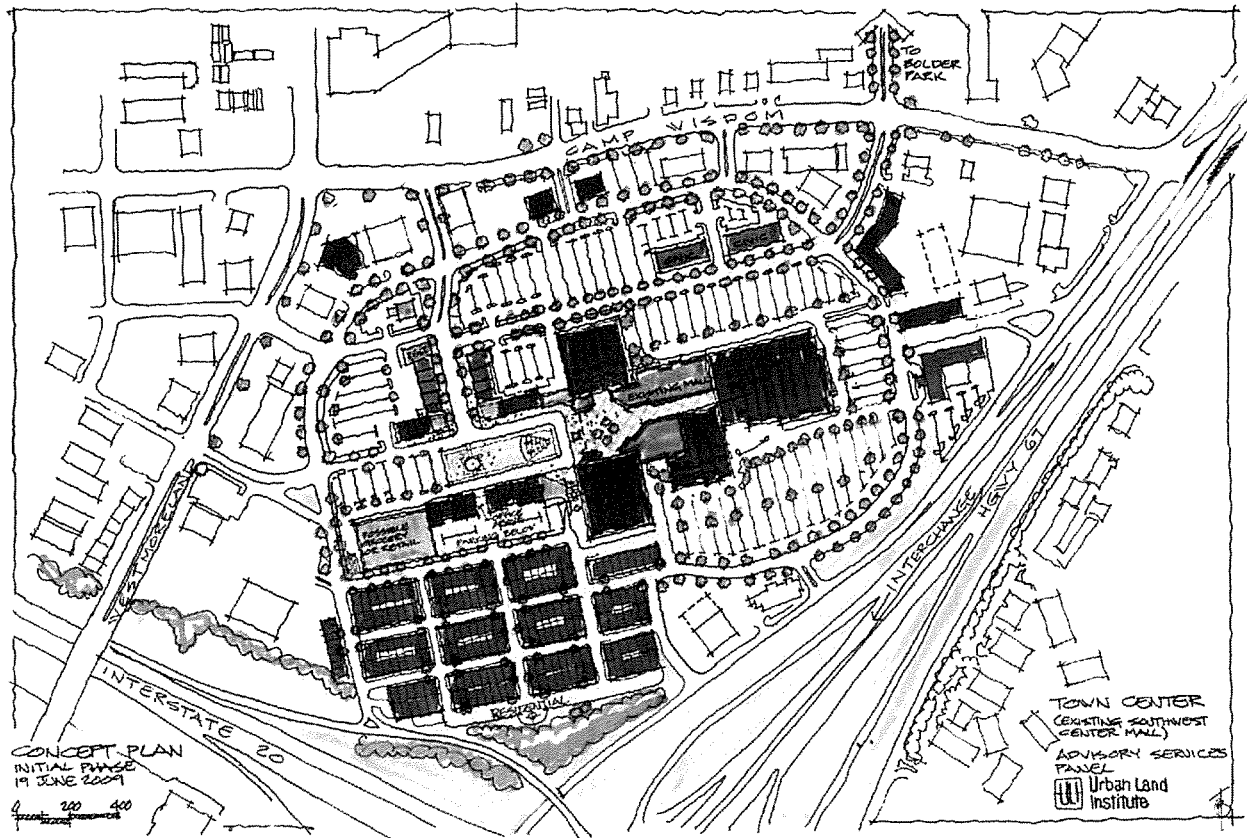
The Panel's visit resulted in a published report. The report highlighted the following observations and findings with the Southwest Center Mall: (1) market too weak to solely support private investment in revitalization without public investment, (2) fragmented property ownership and lack of interdependent cooperation, (3) lack of a consensus vision/plan for how to revitalize the area, (4) poor site access from the freeway, (5) strong community support for revitalization, and (6) community concerns about the City's commitment to help with revitalization.

In the report, the Panel made the following comments and recommendations: (1) the area has strong potential for walkable mixed use redevelopment with residential, retail, office, entertainment, and community uses, (2) the City should initiate an Area Plan process with the community, resulting in a consensus vision and leading to area-wide rezoning and thoroughfare plan amendments consistent with the vision, (3) the City should coordinate with TxDOT to improve freeway access, (4) the City should establish a tax increment financing district for the area to help close funding gaps and push forward projects that might not otherwise succeed, (5) the City should play an active role in land assembly and developer recruitment, and (6) the City should assist with public infrastructure improvements in the area (network of new internal streets, new streetscape on existing perimeter streets, new central open space, etc.).

The panel emphasized that a successful plan for the redevelopment of the site needs to be flexible and allow the program of uses to evolve as redevelopment occurs over time. As such, the panel offered an initial redevelopment concept for a new town center "village" organized around a new central open space/plaza and anchored by a new open-air retail street tied directly into the existing eastern end of the mall. The redevelopment concept assumes demolition of both levels of the west end of the mall (from the center court through the former Dillard's space, with the new open-air retail street (a collection of two-story mixed use buildings) tying directly into the upper level of the in-line mall at the line of demolition. This initial phase would allow successful existing tenants and new tenants to consolidate in the eastern end of the mall. The redevelopment concept also includes the renovation and retention of the three existing anchor stores (Macy's, Sears, and Burlington Coat Factory). Additionally, the Panel believed that a grocery store, a multi-screen movie theater, offices, multi-family housing (for rent), senior housing (for rent or for sale), townhomes, and a hotel could be market feasible if developed within the framework of the new town center village. The town center village concept is depicted in Exhibit F below and serves as the basis for the anticipated development shown in Exhibit P-2.

Exhibit B

Exhibit F
Southwest Center Mall Area
Redevelopment Concept
(2009 ULI Advisory Services Panel)



Existing Conditions

Most of the proposed Sub-District is characterized by a wide variety of commercial property types ranging in age from thirty to forty years. Many of these properties are economically or physically obsolete. In its present condition, the area exhibits deteriorated structures, an inadequate sidewalk and street layout, large tracts of vacant land, faulty lot layouts, unsanitary or unsafe conditions, and deteriorated site improvements. These conditions substantially arrest or impair the sound growth of the City and property within the proposed Sub-District. No property in the proposed Sub-District is currently being used for residential use with fewer than five living units. Photos of property in the proposed Sub-District show deteriorated public infrastructure and building stock (see Exhibit G). Many of the commercial structures in the Sub-District were developed in the 1970s. Many streets and utilities are now over forty years old and require significant improvements.

Exhibit B

Existing Zoning and Existing Land Uses

See Exhibit H for a map of existing zoning in the Sub-District and Exhibit I for a map of existing land uses in the Sub-District.

The proposed Sub-District is being considered for designation by the City of Dallas, pursuant to Section 311.005, Texas Tax Code, because the City finds that the Westmoreland-IH 20 area substantially impairs the sound growth of Dallas, retards the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public welfare due to a substantial number of substandard, deteriorating, and deteriorated structures and infrastructure as well as a severe lack of parks and open spaces. The project plan for the proposed Sub-District will encourage new private redevelopment that is not likely to occur solely through private investment, thereby offering employment and quality living for the people of Dallas for years to come.

Exhibit G
Existing Conditions Images
Westmoreland-IH 20 Sub-District

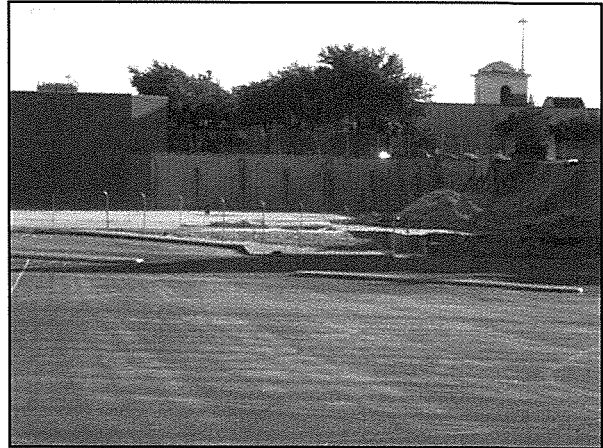


Exhibit H Existing Zoning Westmoreland-IH 20 Sub-District

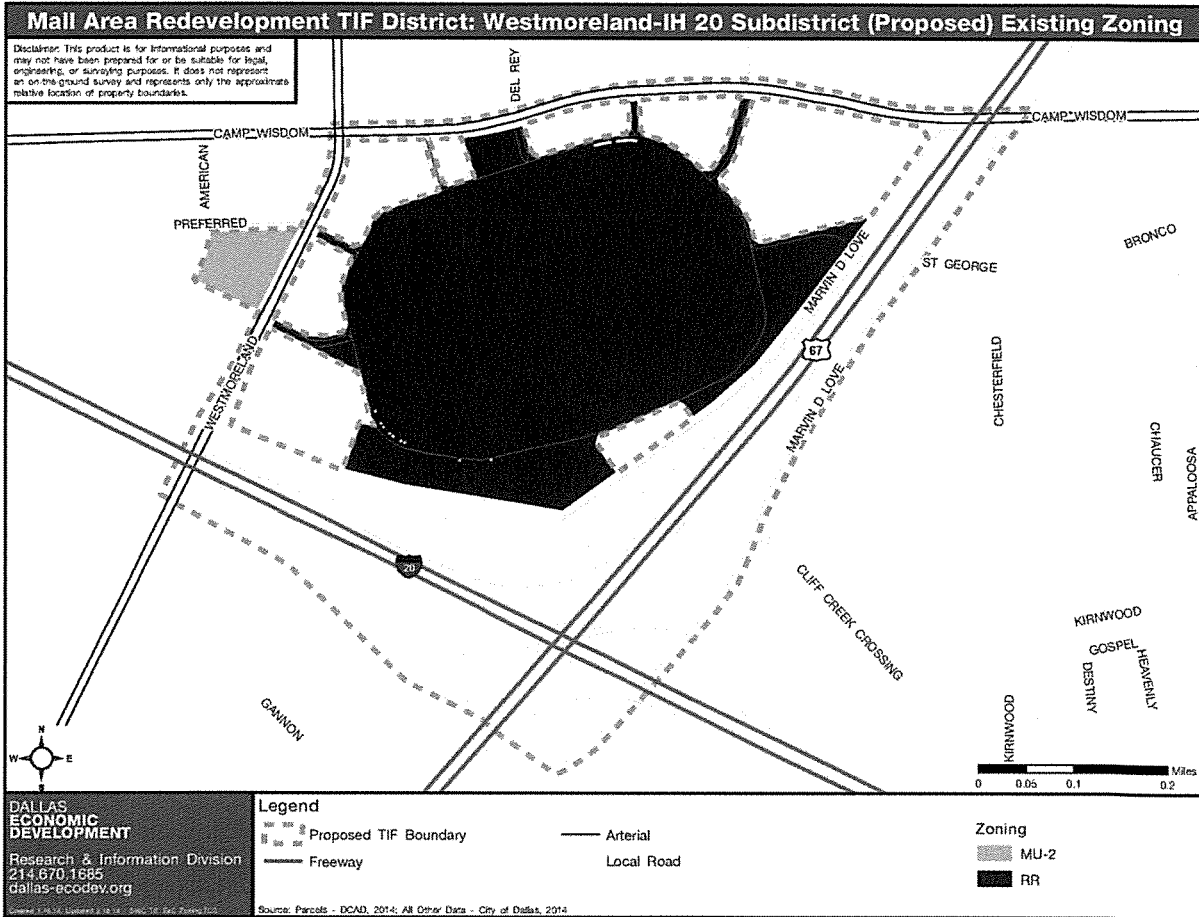
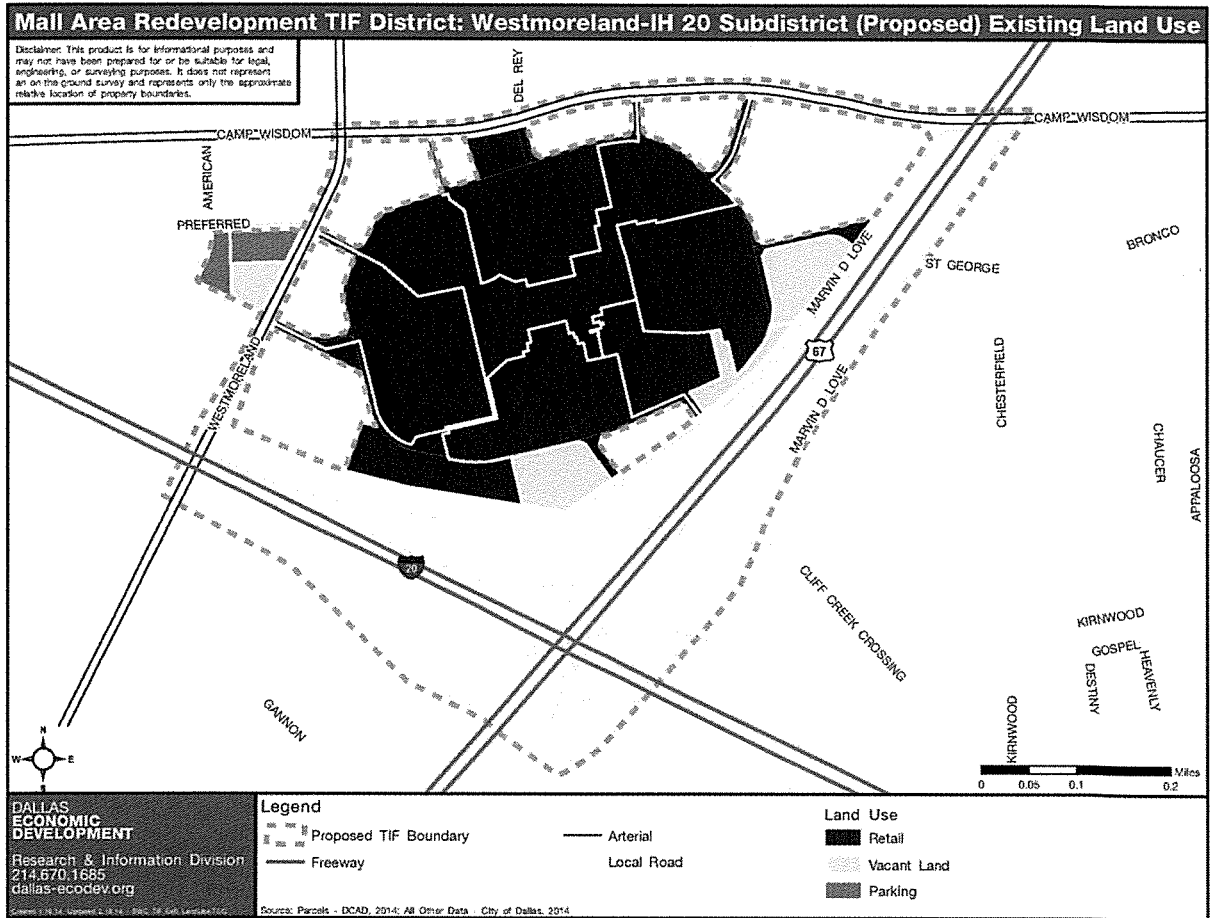


Exhibit I Existing Land Use Westmoreland-IH 20 Sub-District



Description of the Westmoreland-IH 20 Sub-District

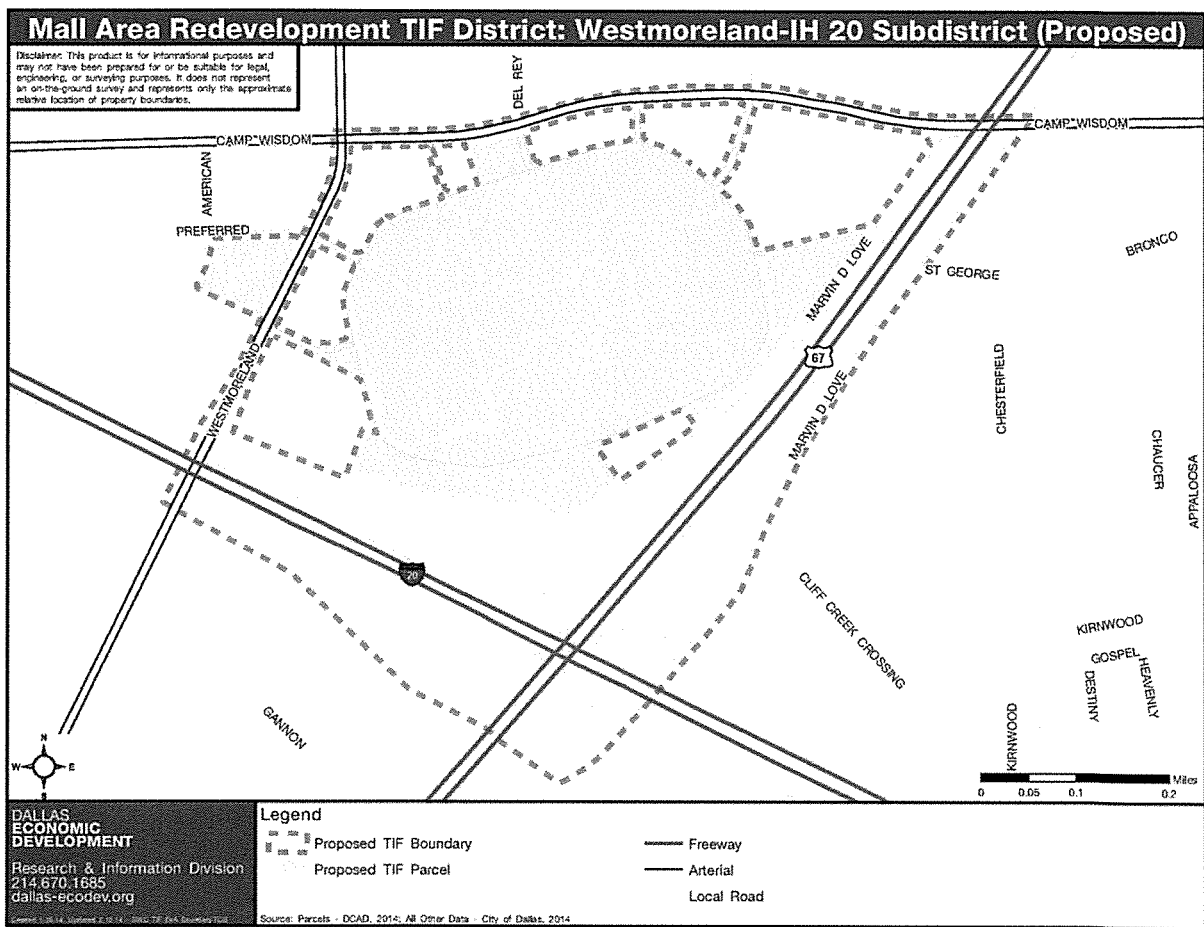
As depicted in Exhibit J, the proposed Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Marvin D. Love Freeway (Highway 67), and LBJ Freeway (Interstate Highway 20). Boundaries that follow public streets and highways shall be construed to extend to the far sides of such rights-of-way. Boundaries that approximate property lines shall be construed as following such property lines. The Sub-District encompasses approximately 96.6 acres, not including rights-of-way. Taxable land for 2014 is expected to be 96.6 acres.

Exhibit B

In order to optimize the reliability of the TIF increment projections as well as the TIF project needs, the Sub-District boundary has been drawn at its inception to include only the most underutilized and vacant parcels in the area. Over time, other parcels in the immediate area may emerge and ripen for redevelopment.

Based on the 2013 certified tax roll from DCAD, the total appraised value of taxable real property (12 parcels) in the Westmoreland-IH 20 Sub-District is estimated to be \$19.6 million.

Exhibit J Westmoreland-IH 20 Sub-District Map



General Considerations

Per Chapter 311 of the Texas Tax Code, a city with a population of 100,000 or more may not designate a tax increment reinvestment zone if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds 25% of the total appraised value of taxable real property in the city. Based on the 2013

Exhibit B

certified tax roll from DCAD, the total appraised value of the proposed zone and other existing reinvestment zones is approximately 10% of the total appraised value of taxable real property in the City of Dallas.

Per the City of Dallas Financial Management Performance Criteria ("FMPC"), no reinvestment zone can be created if the total real property tax base of all active tax increment reinvestment zones plus the total real property and business personal property tax base of all tax abatement reinvestment zones exceeds 10% of the total tax base (all real and business personal property) of the City. Based on the 2013 certified tax roll from DCAD, the total real property tax base of all active tax increment reinvestment zones plus the total real property and business personal property tax base of all tax abatement reinvestment zones is approximately 8.87% of the total tax base (all real and business personal property) of the City.

All real property accounts known to be within the District boundary, based on DCAD's 2013 certified tax roll, are listed in Appendix A. The base value of the District is the total appraised value of all taxable real property in the zone, as determined by DCAD. Note: The base value of the District will be adjusted to reflect the 2014 certified tax roll when it becomes available from DCAD in August 2014. The base value of the District may also be adjusted in the future to reflect property tax protests, tax roll corrections, and litigation that affect the 2014 valuation of properties within the District. Inclusion of property in the District does not change tax rates for any property in the District. Tax rates remain the same as tax rates outside the District, given a constant set of taxing jurisdictions.

The proposed duration of the Mall Area Redevelopment TIF District is 30 years. The District's base year is 2014. Year 1 of the District is scheduled to begin on January 1, 2015, and the District is scheduled to terminate December 31, 2044 (including collection of the 2044 increment in calendar year 2045 and any related matters to be concluded in 2045). TIF collections will terminate once the TIF budget has been collected or December 31, 2044, whichever occurs first.

The City's participation is proposed to be 0% in 2015; 90% from 2016 through 2042; 75% in 2043; and 55% in 2044. The County's participation is anticipated to be 0% for the first five years and then at least 55% for 20 years (2020 through 2039) or until the District is terminated.

TIF funds will be disbursed annually, subject to the availability of funds, and according to development agreements or securities obligations approved by the City Council. All such agreements and obligations must be consistent with the Final Project Plan and Reinvestment Zone Financing Plan approved by the TIF Board of Directors and the City Council, as prescribed by the Tax Increment Financing Act promulgated in Chapter 311 of the Texas Tax Code.

All payments to the TIF fund will terminate upon the occurrence of any of the following events:

Exhibit B

1. The TIF budget of approximately \$432.5 million (net present value of approximately \$182.9 million in 2014 dollars) has been collected, or December 31, 2044 (including collection of the 2044 increment in calendar year 2045 and any related matters to be concluded in 2045), whichever occurs first.
2. All financial obligations of the TIF fund have been satisfied and the City Council has dissolved the District.
3. The TIF fund has no financial obligations within three years of City Council adoption of the Final Project Plan and Reinvestment Zone Financing Plan, and the City Council has dissolved the District.
4. Private investment of at least \$100 million has not occurred within five years of the adoption of the Final Project Plan and Reinvestment Zone Financing Plan, and the City Council has dissolved the District.

The TIF fund may pay for TIF-eligible expenditures within the District and other expenses permitted by law, including financing costs of the public improvements and administrative costs for the TIF program. Dollars from the TIF fund may pay or reimburse a developer, a developer's assignees, or another entity for legally eligible expenditures duly approved by the City. In general, TIF funds may be applied to expenditures listed in the Final Project Plan and Reinvestment zone Financing Plan as costs of public works, public improvements, programs, or other projects benefitting the zone, plus other costs incidental to those expenditures and obligations.

Development Goals and Objectives

The following development goals address the specific needs of the proposed District:

- Goal 1: To create additional taxable value attributed to new private investment in projects in the Montfort-IH 635 Sub-District totaling approximately \$3.9 billion in total dollars over the 30-year life of the Sub-District.
- Goal 2: To create additional taxable value attributed to new private investment in projects in the Westmoreland-IH 20 Sub-District totaling approximately \$295 million in total dollars over the 30-year life of the Sub-District.
- Goal 3: To attract new higher density private development in the Montfort-IH 635 Sub-District totaling approximately 707,870 square feet of new retail space; 72,991 square feet of renovated movie theater; 3,987,022 square feet of new office space; 957 new hotel rooms; and 7,674 new residential units (including apartments and condominiums).
- Goal 4: To attract new higher density private development in the Westmoreland-IH 20 Sub-District totaling approximately 140,000 square feet of new retail space; 45,000 square feet of movie theater; 70,000 square feet of new office space; 80 new hotel rooms; and 1,620 new residential units (including apartments and townhomes).

Exhibit B

- Goal 5: To encourage the sustainable redevelopment of properties including and around two severely declining shopping malls in a manner in which negative fiscal impacts for the remainder of the City are limited and a walkable development pattern is achieved that is a net benefit to the City from a fiscal, land use, and quality of life standpoint.
- Goal 6: To increase public open space in the District.
- Goal 7: To generate approximately \$432.5 million (net present value of approximately \$182.9 million in 2014 dollars) in TIF fund revenues over the 30-year life of the District.

The following specific objectives set the framework for the planned public improvements within the District:

- Provide funding for the acquisition of land for a central community park (referred to in the adopted Area Plan as “Midtown Commons”) to provide open space, recreational opportunities, and cultural amenities to the Montfort-IH 635 Sub-District while also increasing land values and attracting new residential and office development.
- Direct the Montfort-IH 635 Sub-District’s overall development through the application of design guidelines for public improvements and private development consistent with the regulations set forth in PD 887, as amended.
- Provide funding to build a street and circulation network in the Montfort-IH 635 Sub-District to enhance traffic flow, reduce congestion, provide greater accessibility, and disaggregate the existing super-blocks into a more pedestrian-scaled environment that can redevelop incrementally.
- Improve existing and construct new infrastructure (on-site and off-site) for the District, including roadways, storm water drainage, water distribution/wastewater collection lines, burial of overhead utilities, and unified wayfinding to support redevelopment.
- Improve the pedestrian environment in the District through sidewalk, landscaping, lighting and other related streetscape features.
- Provide funding for an economic development grant program for the District.
- Encourage mixed income housing in and near the District.

Market Feasibility and Planned Development

The predominant land use development pattern in the planned 30-year Mall Area Redevelopment TIF District development program is higher density, walkable, mixed-use development, including a range of housing types, office development, retail

Exhibit B

development, and hotel development. Within five years of the initiation of the District, it is anticipated that development will occur, including approximately 1,106 residential units, 133,350 square feet of retail space, 72,991 square feet of renovated movie theater, and 242,000 square feet of office.

Over the 30-year life of the District, the planned private development program includes:

- up to 9,294 new residential units
- up to 847,870 square feet of new retail space
- up to 72,991 square feet of renovated movie theater space
- up to 45,000 square feet of new movie theater space
- up to 4,057,022 square feet of new office space
- up to 1,037 new hotel rooms

Market analysis suggests that these developments are feasible but would likely not occur or occur to the same extent without the creation and implementation of this District to assist in the funding of project plan improvements in the District.

Exhibit K-1 depicts a conceptual redevelopment plan (as provided by Diversion Capital) for the former Showcase Chevrolet Dealership site, and Exhibit K-2 depicts a conceptual redevelopment plan (as provided by Beck Ventures) for a significant portion of the Valley View Center Mall area in the Montfort-IH 635 Sub-District.

Exhibit K-1 Conceptual Redevelopment Plan (by Diversion Capital)

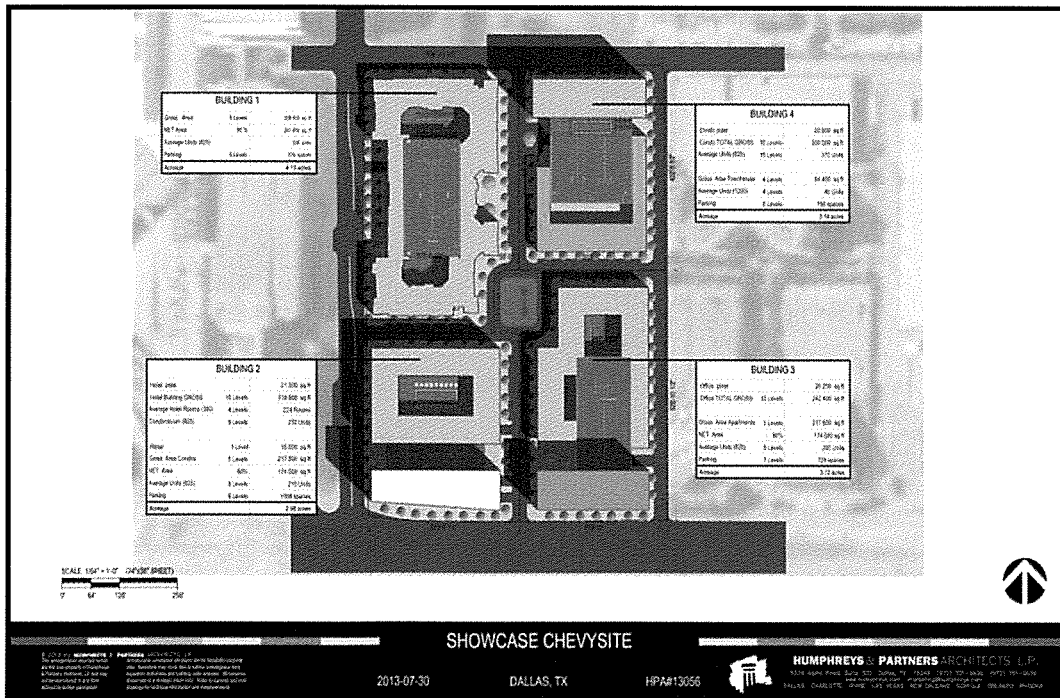


Exhibit B

**Exhibit K-2
Conceptual Redevelopment Plan
(by Beck Ventures)**

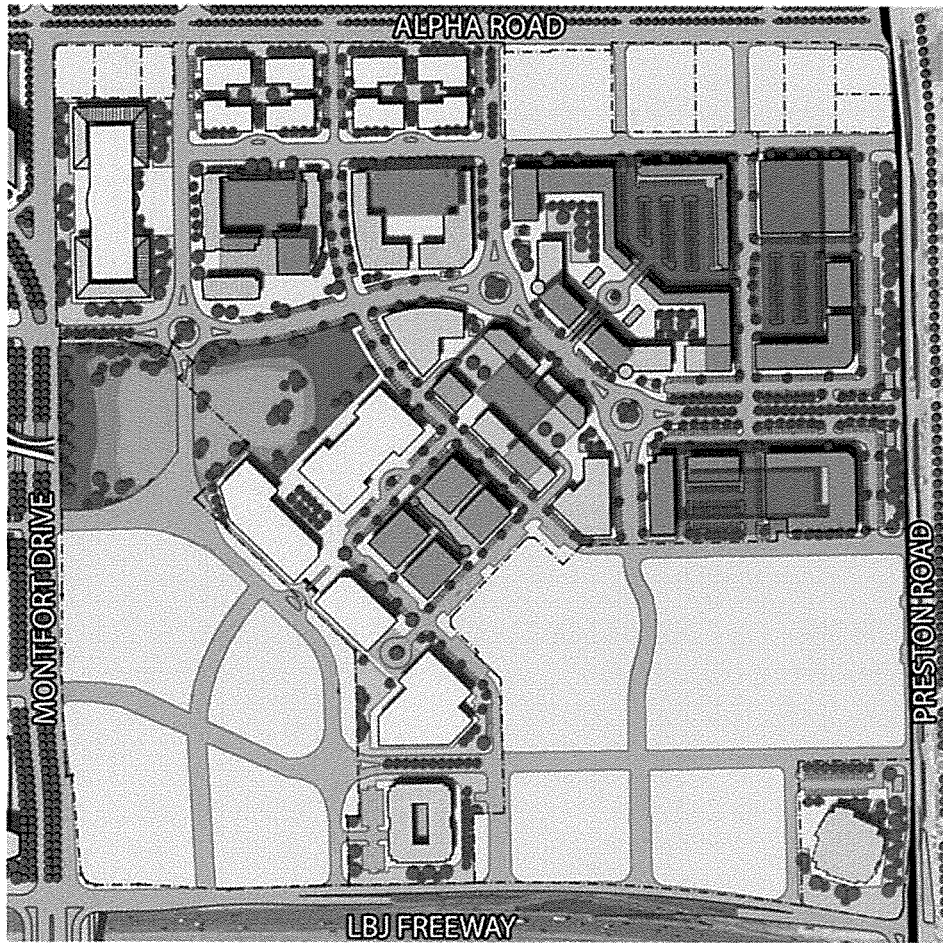


Exhibit B

TIF District Policy Considerations

City policy for creation of new TIF districts requires that newly created TIF district plans include public objectives, such as a provision for mixed income housing, development of design guidelines that promote the high quality design of structures and infrastructure within the TIF district, utilization of minority- and women-owned businesses in new construction, promotion of jobs for neighborhood residents, and resolution of issues related to the relocation of area residents displaced by new development. These issues are addressed specifically below.

Mixed Income Housing Guidelines. Successful redevelopment efforts support a variety of housing options. Accordingly, twenty percent (20%) of all housing units in projects using direct site-specific TIF funding assistance will be subject to the City's and County's established criteria for mixed income housing. For housing units in projects that do not receive a direct allocation of TIF funding assistance under a TIF development agreement but may indirectly benefit from off-site or Sub-District-wide open space or infrastructure funded by the District, mixed income housing requirements will not apply. Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas metropolitan area. Affordable rental rates will be adjusted annually according to the affordable housing schedule produced annually by the City's Housing Department (pursuant to the U.S. Department of Housing and Urban Development). Within two years after designation of the District, the District's Board of Directors will develop a set of mixed income housing guidelines outlining details for the provision of mixed income housing for the District.

A developer may propose alternative methods of meeting the requirements. All proposed alternative methods will be considered on a case-by-case basis and must be approved by both the City and Dallas County. One alternative may be for a developer to propose to provide equivalent affordable housing units within a one (1) mile area outside of the District boundary. Another alternative may be for a developer to propose to provide more than 20% affordable housing units in a project within the District, with the surplus units being counted toward the satisfaction of the 20% requirement on a related project(s) within the District.

New affordable housing within the District may also include senior or tax-credit-financed housing units. Additionally, if an existing tax-credit-financed housing development is demolished and replaced with a new tax-credit-financed housing development (on the same site), the replacement housing units may be considered "new" affordable housing units. In the event that a new tax-credit-financed housing development provides more than 20% affordable housing units in a project, the surplus units may be counted toward the satisfaction of the 20% requirement on an unrelated project(s) within the District. Affordable housing units should not be concentrated and should be dispersed throughout the community.

Urban Design Guidelines. High quality urban design is an objective for the Mall Area Redevelopment TIF District. Design guidelines for new development in the District will be reviewed by the TIF Board of Directors within two years after designation of the District. Development projects using direct site-specific TIF funding assistance will be

Exhibit B

required to comply with the approved guidelines. The City's Peer Review Panel, supported by the Dallas CityDesign Studio, will oversee this process. The expectation is that TIF-funded projects set a standard for future development in the City of Dallas.

The design guidelines for the Montfort-IH 635 Sub-District will, at a minimum, reflect the form-based zoning standards adopted in June 2013 as PD 887 (Valley View-Galleria Area Special Purpose District). PD 887 governs nearly all of the parcels in the Montfort-IH 635 Sub-District.

Business Inclusion and Development (BID) Plan. All TIF-funded projects will follow the City's adopted Business Inclusion and Development Plan. This policy outlines goals for certified Minority- and Women-Owned Business (M/WBE) participation in publicly funded infrastructure projects. The BID Plan goal is 25% for construction of public improvements. The goal for private improvements is negotiated in the development agreement. The process for BID compliance and City oversight will be negotiated with City staff and included in the development agreement for each individual project.

Promotion of Jobs for Neighborhood Residents. TIF applicants must agree to sponsor job fairs or other programs to attract neighborhood residents to any permanent jobs created in the developments within the District.

Existing Resident Displacement. Chapter 311 of the Texas Tax Code requires that displacement of existing residents be minimized. No persons are currently expected to be displaced by redevelopment activity within the Mall Area Redevelopment TIF District. Therefore, relocation policies are inapplicable to this District.

Exhibit B

Section 2: Project Plan Improvements

The enumerated Project Plan Improvements include approximately \$432.5 million (net present value of \$182.9 million in 2014 dollars) for the categories listed below. See Exhibit O in Section 3 for the budget of the proposed TIF-funded Project Plan Improvements (“Project Costs”).

Eligible TIF Project Costs for the entire Mall Area Redevelopment TIF District

Administration and Implementation: Administration costs, including reasonable charges for time spent by the municipality’s employees and funding for special studies conducted on behalf of the City of Dallas to assist with implementation within the District, will be eligible for reimbursement as project costs, upon approval by the District’s Board of Directors and in connection with the implementation of the Final Project Plan and Reinvestment Zone Financing Plan. Other TIF-related administrative expenses such as the City’s legal and consulting fees (including but not limited to bond counsel and financial advisor fees), management expenses, meeting expenditures, and equipment are included in this category, including some expenses, such as design and engineering costs for preparing plans for the District, incurred by a property owner or developer in connection with the creation of the TIF. Specifically included in this budget category is the cost to reimburse the City for the funding of the 2012-2013 Valley View-Galleria Area Planning Study. It is estimated that approximately **\$7.68 million (net present value of \$3.25 million in 2014 dollars)** in District funds will be provided for administration and implementation costs within the District.

Eligible TIF Project Costs for the Montfort-IH 635 Sub-District

Infrastructure Improvements: As illustrated in the City’s adopted Streets Plan for the area in Exhibit L, infrastructure improvements are needed to establish an integrated street network to break down the existing super-blocks and create pedestrian-scale parcels for redevelopment. This category includes, but is not limited to, TIF-eligible expenditures for design, engineering, and construction of infrastructure and utility improvements; water and wastewater infrastructure improvements; roadway paving improvements; intersection improvements (including signalization improvements); improvements for medians and parkways; and storm water drainage and management. Utility improvements also include, but are not limited to, the relocation/burial and eligible upgrade of electric, gas, cable television, and telephone/telecommunication infrastructure throughout the District. This category also includes design, engineering, and construction of streetscape improvements, including lighting, sidewalk, bike/pedestrian trail and path improvements; street furnishings; landscaping and irrigation of areas of public access and assembly; wayfinding and signage to improve pedestrian and vehicular circulation and continuity in the District; and other streetscape features related to specific projects.

Exhibit B

It is estimated that approximately **\$161.5 million (net present value of \$68.3 million in 2014 dollars)** in District funds will be provided for the costs of the following infrastructure improvements in the Montfort-IH 635 Sub-District:

- \$35 million (net present value of \$14.8 million in 2014 dollars) in costs for the design and construction of improvements to existing roads (Montfort Drive; Noel Road; Peterson Lane; James Temple Drive) within the Montfort-IH 635 Sub-District as required by the Thoroughfare Plan. The estimated costs include associated grading, paving, and landscape/streetscape. Right-of-way is to be dedicated to the City as platting occurs with redevelopment.
- \$68.5 million (net present value of \$29 million in 2014 dollars) in costs for the design and construction of new roads within the Montfort-IH 635 Sub-District as required by the Thoroughfare Plan and shown on Exhibit L. The estimated costs include associated grading, paving, storm drainage system, intersections, water, wastewater, landscape/streetscape, and gas/power/telecommunications utilities. Right-of-way is to be dedicated to the City as platting occurs with redevelopment.
- \$44.9 million (net present value of \$19 million in 2014 dollars) in costs for the design and construction of new minor streets within the Montfort-IH 635 Sub-District as required by the zoning regulations of PD 887 and shown on Exhibit L. The estimated costs include associated grading, paving, storm drainage system, intersections, water, wastewater, landscape/streetscape, and gas/power/telecommunications utilities. Right-of-way is to be dedicated to the City as platting occurs with redevelopment.
- \$9.5 million (net present value of \$4 million in 2014 dollars) in costs for the design, relocation/burial, and eligible upgrade of existing off-site electric, gas, and telecommunications infrastructure.
- \$1.2 million (net present value of \$0.5 million in 2014 dollars) in costs for the design and replacement/upsizing of existing off-site wastewater lines connecting private parcels to the sewershed #1 discharge point located immediately north of LBJ Freeway along the westbound frontage road just east of Noel Road.
- \$2.4 million (net present value of \$1 million in 2014 dollars) in costs for the design, fabrication, and installation of unified wayfinding to improve pedestrian and vehicular circulation and continuity within the Montfort-IH 635 Sub-District.

TIF funding assistance for infrastructure improvements will be critical to making projects feasible in the Montfort-IH 635 Sub-District. Without an integrated network of new streets (and associated utilities) to disaggregate the existing super-blocks and without the replacement and upsizing of existing off-site wastewater

Exhibit B

infrastructure, redevelopment potential of the area is limited. It is also acknowledged that other sources of funding (e.g. grants from other governmental entities; City general obligation bonds) will be considered to supplement TIF funding and/or to help advance the delivery of particular infrastructure improvements.

Grants for Economic Development: State law allows the City to make economic development grants or loans for the public purposes of developing and diversifying the economy and to further implement the Final Project Plan and Reinvestment Zone Financing Plan. Projects receiving such grants or loans: (1) must demonstrate that the development is not financially feasible but for the grant; (2) must be consistent with the goals and objectives of the Final Project Plan and Reinvestment Zone Financing Plan; and (3) are subject to specific project agreements and City Council approval. A grant program for the Montfort-IH 635 Sub-District will be reviewed by the TIF Board of Directors within two years after designation of the District. Development projects requesting economic development grant funds will be required to comply with the approved program.

It is anticipated that a grant program for the Montfort-IH 635 Sub-District will serve as a flexible tool with which to help close funding gaps and push forward projects that might not otherwise succeed. As such, it is anticipated that TIF grant funding may be used to: (1) offset the cost incurred by a private developer for complying with the mixed income housing requirements of the District, (2) offset the financial cost (i.e. interest) incurred by a private developer for providing significant advance funding for a large scale public infrastructure improvement or open space acquisition that benefits multiple parcels in the Montfort-IH 635 Sub-District by making them ready to support new vertical development consistent with the adopted Area Plan, and (3) offset the cost incurred by a private developer for environmental remediation and demolition of an existing structure when in conjunction with the vertical construction of a new structure to replace it.

Approximately **\$118.1 million (net present value of \$50 million in 2014 dollars)** in District funds will be provided to facilitate economic development grants in the Montfort-IH 635 Sub-District.

Set Aside for Land Acquisition for Sub-District-Wide Central Open Space: The long-term success of the Sub-District as a dense, walkable, livable, and sustainable place will depend on a redevelopment pattern organized around a carefully considered urban form anchored by a large centrally located Sub-District-wide public open space (see the City's adopted Open Space Plan in Exhibit M). The central open space feature will be the critical key to creating higher density urban development while also supporting a high quality of life for Sub-District residents, employees, shoppers, and other visitors. Envisioned to serve not only the Sub-District but also the broader community, the central open space feature will range in size from 10-20 acres (ideal size is 15-18 acres). It should be noted that the graphical depiction of the central open space in Exhibit M is conceptual and that the actual size, location, and configuration is subject to change over time as redevelopment occurs and as land is acquired.

Exhibit B

Per the adopted Area Plan, considerations for the design of the central open space feature should include the following: street trees and sidewalks along all edges; some large open spaces for passive recreation and events; possible pavilion/concert stage and lawn for special events; environmentally responsible landscape development and potential education opportunities on water recycling and collection from surrounding properties including detention; integrated storm water management elements; Americans with Disabilities Act (ADA) compliance; dog park facilities; playgrounds for children and adults; restaurant or food service venues; a parking strategy for special events including on-street parking; naturalized vegetation in some areas; and a pedestrian bridge across Montfort Drive to facilitate east-west connectivity (if necessary).

It is acknowledged that many desired expenditures associated with the central open space feature are likely beyond the capacity of TIF funding. Nevertheless, TIF funding assistance for land acquisition for the central open space will be critical to making projects feasible in the Montfort-IH 635 Sub-District. Without a large public open space, redevelopment potential of the area is limited. It is estimated that approximately **\$70.9 million (net present value of \$30 million in 2014 dollars)** in District funds will be provided specifically to help cover costs associated with the assembly and acquisition of land for the central open space feature. Although the central open space will ultimately be owned by the City, it is anticipated that other sources of funding (e.g. the additional open space requirement of PD 887; grants from other governmental entities; City general obligation bonds; a public improvement district; private philanthropic contributions) will also be explored to help fund expenditures associated with the acquisition, design, construction, maintenance, operations, and programming of the central open space.

Set Aside for Sub-District-Wide Off-Site Wastewater System Improvement:

Sewershed #1 encompasses most of the Montfort-IH 635 Sub-District, and the discharge point for sewershed #1 is located immediately north of LBJ Freeway along the westbound frontage road just east of Noel Road. In order to provide adequate wastewater capacity for and minimize the disruption of the anticipated redevelopment of the Montfort-IH 635 Sub-District, it will be necessary within the first 2-3 years of the District to replace/upsized the existing off-site wastewater line immediately downstream of sewershed #1 (i.e. from the discharge point southward to a connection point located generally east of the Dallas North Tollway at Harvest Hill Road). Approximately \$5.9 million (net present value of \$2.5 million in 2014 dollars) in District funds will be provided for the costs associated with the design and construction of this replacement line. The estimated costs include the potential acquisition of right-of-way and/or easements that may be needed to accommodate the alignment of this replacement line.

TIF funding assistance for this Sub-District-wide off-site wastewater system improvement will be critical to realizing the anticipated redevelopment in the Montfort-IH 635 Sub-District. Without the replacement and upsizing of this existing off-site wastewater line as required by Dallas Water Utilities, redevelopment

Exhibit B

potential of the area is severely limited. It is also acknowledged that other sources of funding (e.g. City revenue bonds) will be considered to help advance the delivery of this Sub-District-wide off-site wastewater system improvement.

Set Aside for the Westmoreland-IH 20 Sub-District: Ten percent (10%) of the annual tax increment generated by the Montfort-IH 635 Sub-District will be annually set aside to help facilitate the revitalization and redevelopment of the Westmoreland-IH 20 Sub-District in southern Dallas. It is estimated that approximately **\$39.6 million (net present value of \$16.7 million in 2014 dollars)** in District funds will be provided for the revitalization and redevelopment of the Southwest Center Mall area in the Westmoreland-IH 20 Sub-District. See page 31 for eligible TIF project costs for the Westmoreland-IH 20 Sub-District.

Exhibit L Streets Plan Montfort-IH 635 Sub-District

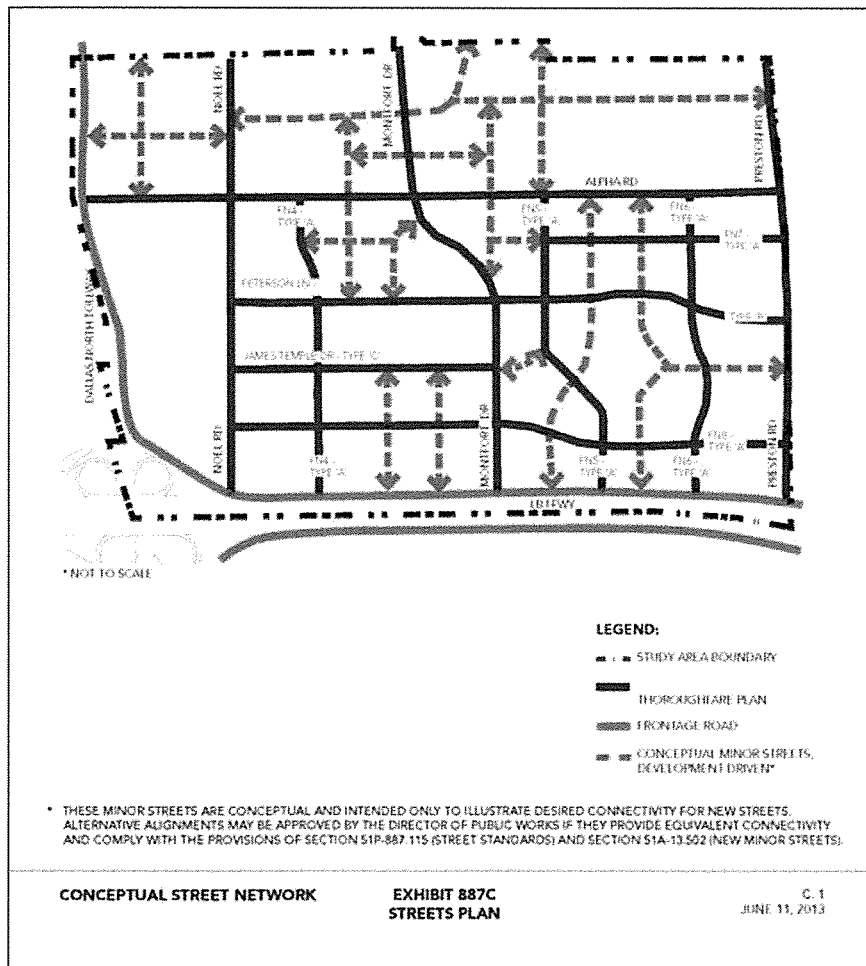
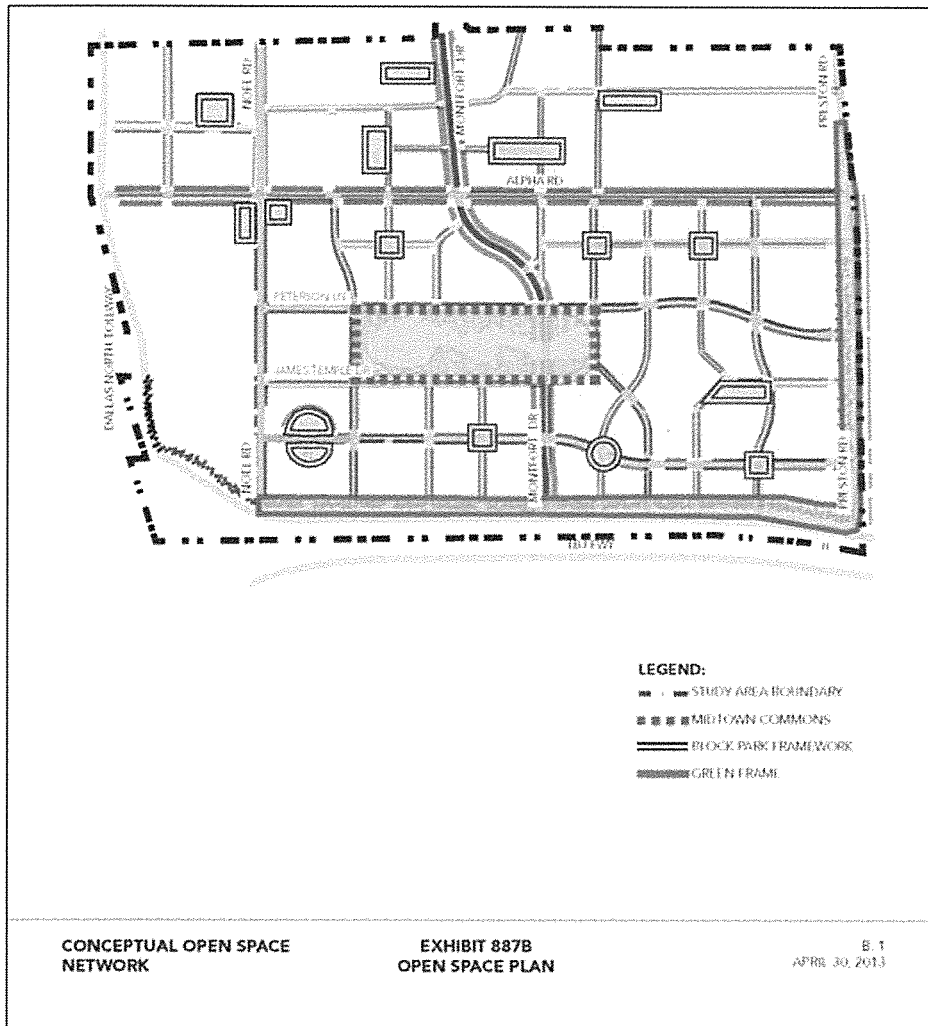


Exhibit B

**Exhibit M
Open Space Plan
Montfort-IH 635 Sub-District**



Eligible TIF Project Costs for the Westmoreland-IH 20 Sub-District

Grants for Economic Development: State law allows the City to make economic development grants or loans for the public purposes of developing and diversifying the economy and to further implement the Final Project Plan and Reinvestment Zone Financing Plan. Projects receiving such grants or loans: (1) must demonstrate that the development is not financially feasible but for the grant; (2) must be consistent with the goals and objectives of the Final Project Plan and Reinvestment Zone Financing Plan; and (3) are subject to specific project agreements and City Council approval. A grant program for the Westmoreland-IH 20 Sub-District will be reviewed by the TIF Board of Directors within two years after designation of the

Exhibit B

District. Development projects requesting economic development grant funds will be required to comply with the approved program.

It is anticipated that a grant program for the Westmoreland-IH 20 Sub-District will serve as a flexible tool with which to jumpstart initial development activity, help to close funding gaps, and push forward catalyst projects that might not otherwise succeed. As such, it is anticipated that TIF grant funding may be used to: (1) offset costs related to the renovation of existing Southwest Center Mall buildings (in-line and/or anchor stores), (2) offset costs related to the retention of existing Southwest Center Mall anchor retailers, (3) offset costs related to the strategic assembly of real property, (4) offset costs related to the active recruitment of potential developers, (5) offset costs related to critical public infrastructure improvements (e.g. public open space; streetscape improvements on existing streets; new streets to break down the existing super blocks into pedestrian-scale developable parcels; unified wayfinding), (6) offset costs related to site access improvements from adjacent freeways, and (7) offset costs related to the creation of additional planning and implementation tools (e.g. Area Plan process; special studies; zoning amendments; Thoroughfare Plan amendments) to further position the Westmoreland-IH 20 Sub-District for redevelopment. Over time, as additional implementation tools are created and as the redevelopment plan for the Southwest Center Mall area comes more into focus, it is anticipated that the Final Project Plan and Reinvestment Zone Financing Plan will be refined and adjusted accordingly.

Approximately **\$68.3 million (net present value of \$28.8 million in 2014 dollars)** in District funds will be provided to facilitate economic development grants in the Westmoreland-IH 20 Sub-District. District funds will come from: (1) the 10% of tax increment set aside annually from the Montfort-IH 635 Sub-District, and (2) the tax increment generated by the Westmoreland-IH 20 Sub-District. It is acknowledged that some desired expenditures of the Westmoreland-IH 20 Sub-District are likely beyond the capacity of TIF funding. Nevertheless, TIF funding assistance will be critical to attracting viable private development partners and making catalyst development projects feasible in the Westmoreland-IH 20 Sub-District. It is also anticipated that the momentum made possible by TIF funding will leverage funds from other public sources (e.g. City bonds, other governmental entities).

Section 3: Financing Plan

TIF Financing Overview

Tax increment financing (“TIF”) is a tool local governments of Texas have used since 1986 to finance public improvements within defined areas that have unique challenges and opportunities for economic development. Public improvements strengthen existing communities and attract investment. The Tax Increment Financing Act is found in Chapter 311 of the Texas Tax Code (the “Act”).

The governing body of a municipality may designate an area as a reinvestment zone if the City Council finds that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. The additional tax dollars generated by growth of real property value flow to a “tax increment financing fund” (“TIF fund”) for a specified term of years. Money flowing to the TIF fund each year is then disbursed according to the Final Project Plan and Reinvestment Zone Financing Plan approved by the TIF board and the City Council, as prescribed by the Act and the ordinance designating the reinvestment zone. The TIF fund may be used to make grants in furtherance of the development for the District and for public improvements within the reinvestment zone. With the exception of environmental remediation and demolition, historic façade restoration, and funding for a TIF grant/loan program, TIF funds may only be used for public improvements. In general, TIF funds may be applied only to expenditures inside the TIF district boundaries, but the Act allows TIF funds to be applied to expenditures outside of the TIF district for a few specified purposes, including places of public assembly, affordable housing, and public infrastructure.

The exhibit below shows how taxes from real properties in the proposed zone would flow to the participating taxing jurisdictions (City and County) and to the TIF fund, based on the assumptions and projections in this Preliminary Project Plan and Reinvestment Zone Financing Plan.

Exhibit N Real Property Tax Flow with Tax Increment Financing

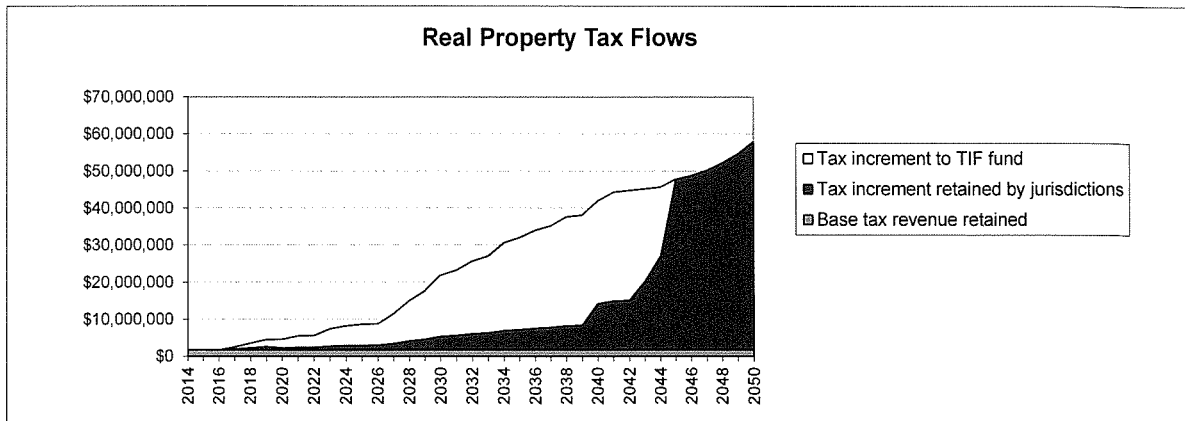


Exhibit B

Inclusion of property in a TIF zone does not change tax rates for the property. Tax rates in a TIF zone are the same as tax rates outside the zone and within the same set of taxing jurisdictions.

Once the public improvements are completed and paid for, the TIF zone is dissolved and the full amount of the taxes collected in the area is retained by the taxing jurisdictions. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Additionally, taxing jurisdictions are not restricted from raising their tax rates during the life of the zone.

Project Budget. The Reinvestment Zone Financing Plan provides for incremental financing and projects revenues for the Mall Area Redevelopment TIF District.

Exhibit O TIF District Project Plan Improvements Budget

*Project costs are public improvements and grants paid or reimbursed by TIF.
Upon approval of the Final Project Plan and Reinvestment Zone Financing Plan, any subsequent changes to the budget will be subject to approval by the TIF board and City Council (pursuant to Section 311.011(e) of the Act).*

	(a)	(b)	(c)
Category	Estimated TIF Expenditure (NPV-2014 dollars)*	Estimated TIF Expenditure (Total)**	
Montfort-IH 635 Sub-District			
Infrastructure Improvements	\$68,304,842	\$161,458,670	
Grants for Economic Development	\$49,990,321	\$118,166,889	
Set Aside to Acquire Land for Sub-District-Wide Public Open Space***	\$30,000,000	\$70,913,861	
Set Aside for Sub-District-Wide Off-Site Wastewater Improvement	\$2,500,000	\$5,909,488	
Set Aside to Share with the Westmoreland-IH 20 Sub-District	\$16,755,018	\$39,605,434	
Sub-District Total Project Costs	\$167,550,181	\$396,054,342	
Westmoreland-IH 20 Sub-District			
Grants for Economic Development	\$12,147,425	\$28,714,028	
Sub-District Total Project Costs	\$12,147,425	\$28,714,028	
Administration and Implementation****	\$3,250,000	\$7,682,335	
Total Project Costs	\$182,947,606	\$432,450,706	

* All values discounted to 2014 dollars at 4% annually. Actual expenditure values will depend on timing of project cost incurrence.
 ** All values are estimated expenditures based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate.
 *** Includes land acquisition and associated costs; does not include design, construction, maintenance, or operating/programming costs.
 **** Admin is estimated at \$100,000 per year, plus \$250,000 cost already incurred for the 2012-2013 Valley View-Galleria Area Planning Study.

Exhibit B

The project's principal costs in Exhibit O are expressed in column b as if paid in 2014. Funding for most of these expenditures will not be drawn until subsequent years.

Financing Process. A developer will typically apply for and be authorized by the City Council for TIF improvements, then fund and build the improvements. Upon completion and acceptance of the work by the City, the developer will be reimbursed with TIF funds if and when they are available. TIF payments are made based on available increment and other conditions set forth in project development agreements. Previously, public improvements were publicly bid with developers advancing funds for these improvements and earning applicable interest until the advance was repaid by the future cash flows to the TIF fund, if and when funds were available. However, based on legislative changes in 2005, the City may allow for private competitive bidding of TIF public improvements. In most cases, interest is no longer applicable with private bidding, but, in rare cases, a grant in lieu of interest may be considered to offset the financial cost incurred by a developer for providing significant advance funding for a large scale public infrastructure improvement that makes multiple parcels ready for vertical development.

Bonds. The City may negotiate with financial institutions to secure bonds or other obligations, or lines of credit, to aid in the funding of projects within the District, using any financial instrument, subject to City Council approval of the note or credit line or issue bonds or other obligations for eligible TIF expenditures. Any use of TIF bonds is subject to provisions of the City's Financial Management Performance Criteria ("FMPC").

Grants. State law allows a TIF district to consider making direct grants to implement a district's Final Project Plan and Reinvestment Zone Financing Plan. As necessary or convenient to implement this Plan, the District's Board of Directors will provide for a program to make economic development loans or grants from TIF funds in an aggregate amount not to exceed the amount of tax increment produced by the City and paid into the tax increment fund for the District. Projects receiving such loans or grants must be consistent with the goals and objectives of the Mall Area Redevelopment TIF District Final Project Plan and Reinvestment Zone Financing Plan and would be subject to City Council approval of the loan or grant program and the specific project agreements.

Grants In Lieu of Interest. Should a grant in lieu of interest be offered to offset the financial cost incurred by a developer for providing significant advance funding for a large scale public infrastructure improvement or open space acquisition that benefits multiple parcels in the Montfort-IH 635 Sub-District by making them ready to support new vertical development consistent with the adopted Area Plan, the grant may be set at a fixed rate equal to the lesser of five percent or the market rate on the date a development agreement is approved by the City Council for a 15-year payout level debt service and a Baa credit rating using the Municipal Market Data scale, as determined by the City with the assistance of its official financial advisor.

Exhibit B

Increment Allocation Policy Considerations. A TIF Increment Allocation Policy (including priorities for reimbursement and a method of apportioning available increment) will be developed by City staff and recommended for adoption by the Mall Area Redevelopment TIF District Board of Directors within 2 years after designation of the District, generally consistent with the following policy considerations:

Reimbursement obligations of the District will be specifically described in each development agreement.

Annually in the Montfort-IH 635 Sub-District, it is anticipated that, after the increment has been deposited into the TIF fund, the TIF fund will pay or set aside the following: (1) the City's expenses for administering the District, (2) the set aside for use in the Westmoreland-IH 20 Sub-District, (3) the set aside for the acquisition of land for the Montfort-IH 635 Sub-District-wide central open space until such time as all land for the central open space has been acquired or the budget has been reached, (4) the set aside for the Montfort-IH 635 Sub-District-wide off-site wastewater system improvement until such time as all of the costs for this improvement have been paid, and (5) all remaining increment for payments to developers approved for TIF funding assistance from the District and eligible for payment in proportion to their individual increments.

Specifically in the Montfort-IH 635 Sub-District, it is anticipated that the annual increment will be used in the following order of priority:

- (a) Administration: The City's administrative expenses for the District will be paid first in each year of the District.
- (b) Set Aside for the Westmoreland-IH 20 Sub-District: Following payment of administrative expenses, 10% of the remaining increment will be set aside for use in the Westmoreland-IH 20 Sub-District.
- (c) Set Aside for Land Acquisition for Sub-District-Wide Central Open Space: Following payment of administrative expenses, not to exceed 35% of the remaining increment will be set aside for land acquisition for the sub-district-wide central open space (until such time as all land for the central open space has been acquired or the budget for this category as shown in Exhibit O has been reached, whichever occurs sooner). The amount of increment annually set aside for the acquisition of land for the sub-district-wide central open space will be reviewed annually by the TIF board based on updated financial projections and needs of the Montfort-IH 635 Sub-District. Additionally, the expenditure of accumulated funds set aside for the acquisition of sub-district-wide central open space will be reviewed by the TIF board as needed. Since the long-term redevelopment potential of the area will be limited without a large central open space and since TIF funding assistance of land acquisition for the large central open space will be critical to making the Montfort-IH 635 Sub-District a dense, walkable, livable, and sustainable place, it is anticipated that the increment allocation for the acquisition of sub-district-wide central open space may be significantly front-loaded during the first 15-20 years of the District. However, in

Exhibit B

any given year, such set aside shall not exceed 35% of the increment remaining after payment of administrative expenses. Following the acquisition of all land for the central open space, the set aside shall cease and all funds remaining after the payment of administrative expenses, the set aside for the Westmoreland-IH 20 Sub-District, and the set aside for the sub-district-wide off-site wastewater system improvement will be available for payments to developers under TIF development agreements.

- (d) Set Aside for Sub-District-Wide Off-Site Wastewater System Improvement: Following payment of administrative expenses, 15% of the remaining increment will be set aside for the sub-district-wide off-site wastewater improvement (until such time as all of the costs for this improvement have been paid). Since the redevelopment potential of the area will be severely limited without this sub-district-wide off-site wastewater system improvement, the increment allocation for this sub-district-wide off-site wastewater system improvement is likely to be front-loaded during the first 7-10 years of the District. Following the completion of and payment of all eligible costs related to the sub-district-wide off-site wastewater system improvement, the set aside shall cease and all funds remaining after the payment of administrative expenses, the set aside for the Westmoreland-IH 20 Sub-District, and the set aside for land acquisition for the sub-district-wide central open space will be available for payments to developers under TIF development agreements.
- (e) Development Agreements: Following payment of administrative expenses, the set aside for the Westmoreland-IH 20 Sub-District, the set aside for land acquisition for the sub-district-wide central open space, and the set aside for the sub-district-wide off-site wastewater system improvement, all remaining increment will be available for payments to developers under TIF development agreements. Accordingly, since the set aside for the Westmoreland-IH 20 Sub-District will be 10% of the increment remaining after the payment of administrative expenses, since the set aside for land acquisition for the sub-district-wide central open space shall not exceed 35% of the increment remaining after the payment of administrative expenses, and since the set aside for the sub-district-wide off-site wastewater system improvement will be 15% of the increment remaining after the payment of administrative expenses, the increment available for payments to developers under TIF development agreements will be at least 40% of the increment remaining after the payment of administrative expenses and will be paid to developers eligible for payment in proportion to their individual increments. It should be noted that, after cessation of the set aside for the sub-district-wide off-site wastewater system improvement (after the first 7-10 years), the increment available for payments to developers under TIF development agreements will increase to at least 55% of the increment remaining after the payment of administrative expenses.

Specifically in the Westmoreland-IH 20 Sub-District, all of the increment annually collected from the Westmoreland-IH 20 Sub-District will be allocated to the Westmoreland-IH 20 Sub-District.

Exhibit B

Expected Revenues. Exhibit P-1 lists development projects that are anticipated in the Montfort-IH 635 Sub-District, and Exhibit P-2 lists development projects that are anticipated in the Westmoreland-IH 20 Sub-District. The development projects listed in Exhibit P-1 and Exhibit P-2 represent an estimated total of private investments exceeding \$5 billion. Some of the projects may not occur or may be replaced by other potential projects. These schedules represent the best estimate at this time for the District’s anticipated development through 2044. The actual velocity, timing, size, volume, uses, values, and other attributes for the listed projects may differ from the provided information.

Unit values supporting appraisal estimates in Exhibit P-1 and Exhibit P-2 are based on observations of values assigned to comparable developments by the Dallas Central Appraisal District (DCAD). Actual construction costs or transactional prices may differ. Because tax increments are measured by DCAD values, these are the relevant measures of value for a TIF project plan and financing plan.

**Exhibit P-1
Anticipated Development
Montfort-IH 635 Sub-District**

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Multi-Family Residential (Condo)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	335	371,850	0	0	133,350	0	0	0	0	\$75,113,250
4	2018	250	277,500	0	0	0	72,991	242,000	0	0	\$86,933,740
5	2019	521	578,310	0	0	0	0	0	0	0	\$86,746,500
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	0	0	0	0	50,000	0	0	273	372,254	\$61,226,830
8	2022	0	0	0	0	50,000	0	0	0	0	\$7,250,000
9	2023	500	555,000	0	0	0	0	350,000	0	0	\$134,000,000
10	2024	305	338,550	0	0	0	0	0	0	0	\$50,782,500
11	2025	0	0	0	0	0	0	0	0	0	\$0
12	2026	0	0	0	0	0	0	0	0	0	\$0
13	2027	400	444,000	200	228,000	100,000	0	350,000	0	0	\$175,375,200
14	2028	962	1,067,820	242	275,880	15,000	0	0	0	0	\$215,013,492
15	2029	0	0	0	0	0	0	908,000	0	0	\$131,660,000
16	2030	636	705,960	0	0	217,520	0	0	684	775,600	\$242,140,400
17	2031	0	0	200	228,000	0	0	0	0	0	\$43,525,200
18	2032	0	0	210	239,400	0	0	552,666	0	0	\$125,838,030
19	2033	300	333,000	0	0	0	0	0	0	0	\$49,950,000
20	2034	600	666,000	0	0	0	0	552,666	0	0	\$180,036,570
21	2035	0	0	274	312,360	0	0	0	0	0	\$59,629,524
22	2036	512	568,320	0	0	0	0	0	0	0	\$85,248,000
23	2037	0	0	227	258,780	0	0	0	0	0	\$49,401,102
24	2038	0	0	0	0	35,500	0	552,666	0	0	\$85,284,070
25	2039	0	0	0	0	35,500	0	0	0	0	\$5,147,500
26	2040	500	555,000	0	0	35,500	0	479,024	0	0	\$157,855,980
27	2041	500	555,000	0	0	35,500	0	0	0	0	\$88,397,500
28	2042	0	0	0	0	0	0	0	0	0	\$0
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		6,321	7,016,310	1,353	1,542,420	707,870	72,991	3,987,022	957	1,147,854	\$2,196,555,388

Notes: The anticipated development projects listed above are subject to market conditions and are likely to change over time. Estimated appraised values in this exhibit are expressed in 2014 dollars.

Exhibit B

Exhibit P-2 Anticipated Development Westmoreland-IH 20 Sub-District

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Single Family Residential (Townhome)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	0	0	0	0	0	0	0	0	0	\$0
4	2018	0	0	0	0	0	0	0	0	0	\$0
5	2019	0	0	0	0	0	0	0	0	0	\$0
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	200	220,000	0	0	20,000	0	10,000	0	0	\$19,850,000
8	2022	0	0	0	0	0	0	0	0	0	\$0
9	2023	0	0	0	0	40,000	0	0	0	0	\$3,000,000
10	2024	0	0	0	0	0	45,000	0	0	0	\$4,500,000
11	2025	300	330,000	0	0	0	0	0	0	0	\$26,400,000
12	2026	0	0	15	33,000	0	0	0	0	0	\$2,191,200
13	2027	0	0	15	33,000	0	0	0	80	49,600	\$5,167,200
14	2028	0	0	20	44,000	20,000	0	0	0	0	\$4,421,600
15	2029	300	330,000	30	66,000	0	0	0	0	0	\$30,782,400
16	2030	0	0	20	44,000	0	0	20,000	0	0	\$4,421,600
17	2031	300	330,000	15	33,000	0	0	0	0	0	\$28,591,200
18	2032	0	0	5	11,000	20,000	0	0	0	0	\$2,230,400
19	2033	200	220,000	0	0	0	0	0	0	0	\$17,600,000
20	2034	0	0	0	0	0	0	0	0	0	\$0
21	2035	0	0	0	0	0	0	0	0	0	\$0
22	2036	0	0	0	0	20,000	0	20,000	0	0	\$3,000,000
23	2037	0	0	0	0	0	0	0	0	0	\$0
24	2038	200	220,000	0	0	0	0	0	0	0	\$17,600,000
25	2039	0	0	0	0	0	0	0	0	0	\$0
26	2040	0	0	0	0	20,000	0	0	0	0	\$1,500,000
27	2041	0	0	0	0	0	0	0	0	0	\$0
28	2042	0	0	0	0	0	0	20,000	0	0	\$1,500,000
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		1,500	1,650,000	120	264,000	140,000	45,000	70,000	80	49,600	\$172,755,600

Notes: The anticipated development projects listed above are subject to market conditions and are likely to change over time. Estimated appraised values in this exhibit are expressed in 2014 dollars.

Annual Real Property Appraisals to the TIF Fund

Based on the development projects identified in Exhibit P-1 and Exhibit P-2 (and other stated assumptions), Exhibit Q-1 and Exhibit Q-2 forecast real property tax increment projections for the Montfort-IH 635 Sub-District and the Westmoreland-IH 20 Sub-District respectively and show annual percentages and amounts of the real property tax growth increment reinvested each year in the TIF fund. Exhibit Q-3 shows the real property tax increment projections for both sub-districts combined. During the District's 30-year term, cumulative increased property value is expected to reach approximately \$4.2 billion.

Starting with tax year 2016 (Year 2 of the District), a portion of the real property tax collected by the City of Dallas will flow to the TIF fund. This fund will reimburse TIF project costs according to a duly adopted Final Project Plan and Reinvestment Zone

Exhibit B

Financing Plan for the Mall Area Redevelopment TIF District. Annual percentages of collected annual tax increments invested in the TIF fund by the City of Dallas will equal 90% (2016 through 2042); 75% in 2043; and 55% in 2044.

Participation in the District has been discussed with Dallas County. From 2020 (Year 6) through 2039 (Year 25), Dallas County is anticipated to agree to contribute at least 55% of the tax increment generated from County taxes assessed and collected within the District. County participation will require the approval of the County Commissioners Court and final terms of the County's contributions of tax increment shall be set forth in an interlocal participation agreement between the City and County.

Exhibit Q-1
Annual Projection of Tax Increment to the TIF Fund
Montfort-IH 635 Sub-District

TIF Zone	Appraised Value for Year	Tax Deposited to TIF Fund by May 1,	% of City Real Property Tax Increment to TIF Fund	% of County Real Property Tax Increment		Total Revenue to TIF Fund	Cumulative Revenue to TIF Fund Net Present Value (2014 dollars)
				From City	From County		
Base	2014	2015	0%	\$0	0%	\$0	\$0
1	2015	2016	0%	\$0	0%	\$0	\$0
2	2016	2017	90%	\$20,573	0%	\$20,573	\$18,290
3	2017	2018	90%	\$571,827	0%	\$571,827	\$507,090
4	2018	2019	90%	\$1,241,207	0%	\$1,241,207	\$1,527,271
5	2019	2020	90%	\$1,936,294	0%	\$1,936,294	\$3,057,553
6	2020	2021	90%	\$1,965,892	55%	\$366,443	\$2,332,336
7	2021	2022	90%	\$2,486,042	55%	\$463,399	\$2,949,441
8	2022	2023	90%	\$2,536,635	55%	\$472,830	\$3,009,465
9	2023	2024	90%	\$3,775,477	55%	\$703,750	\$4,479,228
10	2024	2025	90%	\$4,261,614	55%	\$794,366	\$5,055,980
11	2025	2026	90%	\$4,314,465	55%	\$804,218	\$5,118,684
12	2026	2027	90%	\$4,367,846	55%	\$814,168	\$5,182,014
13	2027	2028	90%	\$6,216,176	55%	\$1,158,698	\$7,374,873
14	2028	2029	90%	\$8,567,948	55%	\$1,597,069	\$10,165,017
15	2029	2030	90%	\$10,081,189	55%	\$1,879,138	\$11,960,326
16	2030	2031	90%	\$12,924,853	55%	\$2,409,198	\$15,334,051
17	2031	2032	90%	\$13,525,267	55%	\$2,521,115	\$16,046,382
18	2032	2033	90%	\$15,151,781	55%	\$2,824,298	\$17,976,079
19	2033	2034	90%	\$15,885,593	55%	\$2,961,081	\$18,846,674
20	2034	2035	90%	\$18,330,331	55%	\$3,416,781	\$21,747,112
21	2035	2036	90%	\$19,262,223	55%	\$3,590,486	\$22,852,709
22	2036	2037	90%	\$20,578,837	55%	\$3,835,903	\$24,414,740
23	2037	2038	90%	\$21,435,719	55%	\$3,995,626	\$25,431,346
24	2038	2039	90%	\$22,844,784	55%	\$4,258,277	\$27,103,061
25	2039	2040	90%	\$23,101,111	55%	\$4,306,056	\$27,407,167
26	2040	2041	90%	\$25,724,005	0%	\$0	\$25,724,005
27	2041	2042	90%	\$27,339,081	0%	\$0	\$27,339,081
28	2042	2043	90%	\$27,622,707	0%	\$0	\$27,622,707
29	2043	2044	75%	\$23,257,641	0%	\$0	\$23,257,641
30	2044	2045	55%	\$17,232,415	0%	\$0	\$17,232,415
Total				\$356,559,534		\$43,172,900	\$399,732,434

Exhibit B

**Exhibit Q-2
Annual Projection of Tax Increment to the TIF Fund
Westmoreland-IH 20 Sub-District**

TIF Zone Year	Appraised Value for Jan. 1,	Tax Deposited to TIF Fund by May 1,	% of City Real Property Tax Increment to TIF Fund	% of County Real Property Tax Increment		Total Revenue to TIF Fund	Cumulative Revenue to TIF Fund Net Present Value (2014 dollars)	
				From City	From County		4.0% Annual Discount Rate	
Base	2014	2015	0%	\$0	0%	\$0	\$0	\$0
1	2015	2016	0%	\$0	0%	\$0	\$0	\$0
2	2016	2017	90%	\$2,822	0%	\$0	\$2,822	\$2,508
3	2017	2018	90%	\$4,254	0%	\$0	\$4,254	\$6,145
4	2018	2019	90%	\$5,700	0%	\$0	\$5,700	\$10,830
5	2019	2020	90%	\$7,161	0%	\$0	\$7,161	\$16,489
6	2020	2021	90%	\$8,636	55%	\$1,610	\$10,246	\$24,275
7	2021	2022	90%	\$175,834	55%	\$32,776	\$208,610	\$176,704
8	2022	2023	90%	\$178,996	55%	\$33,365	\$212,361	\$325,906
9	2023	2024	90%	\$200,672	55%	\$37,405	\$238,077	\$486,743
10	2024	2025	90%	\$237,770	55%	\$44,320	\$282,090	\$669,983
11	2025	2026	90%	\$493,891	55%	\$92,062	\$585,953	\$1,035,968
12	2026	2027	90%	\$512,757	55%	\$95,578	\$608,335	\$1,401,318
13	2027	2028	90%	\$563,733	55%	\$105,080	\$668,813	\$1,787,541
14	2028	2029	90%	\$608,662	55%	\$113,455	\$722,117	\$2,188,507
15	2029	2030	90%	\$949,969	55%	\$177,075	\$1,127,044	\$2,790,245
16	2030	2031	90%	\$1,001,480	55%	\$186,676	\$1,188,156	\$3,400,212
17	2031	2032	90%	\$1,341,481	55%	\$250,053	\$1,591,534	\$4,185,838
18	2032	2033	90%	\$1,373,042	55%	\$255,936	\$1,628,977	\$4,959,020
19	2033	2034	90%	\$1,598,947	55%	\$298,044	\$1,896,992	\$5,824,782
20	2034	2035	90%	\$1,616,340	55%	\$301,286	\$1,917,627	\$6,666,301
21	2035	2036	90%	\$1,633,908	55%	\$304,561	\$1,938,469	\$7,484,248
22	2036	2037	90%	\$1,681,962	55%	\$313,518	\$1,995,481	\$8,293,867
23	2037	2038	90%	\$1,700,186	55%	\$316,915	\$2,017,101	\$9,080,782
24	2038	2039	90%	\$1,964,081	55%	\$366,105	\$2,330,186	\$9,954,874
25	2039	2040	90%	\$1,985,125	55%	\$370,028	\$2,355,153	\$10,804,352
26	2040	2041	90%	\$2,018,220	0%	\$0	\$2,018,220	\$11,504,304
27	2041	2042	90%	\$2,039,806	0%	\$0	\$2,039,806	\$12,184,534
28	2042	2043	90%	\$2,074,632	0%	\$0	\$2,074,632	\$12,849,767
29	2043	2044	75%	\$1,747,318	0%	\$0	\$1,747,318	\$13,388,498
30	2044	2045	55%	\$1,295,038	0%	\$0	\$1,295,038	\$13,772,425
Total				\$29,022,423		\$3,695,849	\$32,718,272	

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Exhibit B

Exhibit Q-3
Annual Projection of Tax Increment to the TIF Fund
Sub-Districts Combined

Table with columns for Tax Year, Captured Appraised Value, City of Dallas, Dallas County, and Cumulative Tax Increment. Rows include years from 2015 to 2044 and totals for NPV @ 4%.

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Financial Assumptions

Key factors influencing the financial feasibility study and its conclusions are the following financial assumptions:

Inflation Rate. The annualized percentage change in appraised value of real property (pre-completion of improvements) is 3%. The annualized percentage change in appraised value of real property (post-completion of improvements) is 1%.

Discount Rate. Based on current market rates, net present values of the tax increment were calculated at a discount rate of 4% per annum.

Tax Rate Changes. Although tax rates may increase over the next 25-30 years, the Preliminary Project Plan and Reinvestment Zone Financing Plan conservatively assumes that the current tax rate will remain constant for the life of the District (except to incorporate tax rate changes when known).

Remittance to the TIF Fund. The proposed duration of the District is 30 years; it is scheduled to terminate December 31, 2044. The City of Dallas will participate at a rate of 0% in 2015; 90% from 2016 through 2042; 75% in 2043; and 55% in 2044. Dallas County is anticipated to participate at a rate of 0% from 2015 through 2019 and then at a rate of at least 55% from 2020 through 2039. TIF collections will terminate once the TIF budget has been collected or December 31, 2044, whichever occurs first.

Financial Feasibility

For the Montfort-IH 635 Sub-District, the anticipated private development program, the public improvement program, the general financing strategy, and the financial assumptions are based, in part, on a preliminary assessment prepared by Stein Planning LLC (on behalf of Beck Ventures) and on an analysis by the Office of Economic Development of the City of Dallas (with additional information provided by Diversion Capital Partners LLC, EF Properties LC, Sears Roebuck and Co., and Slosburg/Richdale Group). For the Westmoreland-IH 20 Sub-District, the anticipated private development program, the public improvement program, the general financing strategy, and the financial assumptions are based on a preliminary assessment prepared by the Office of Economic Development of the City of Dallas (based on an Advisory Services Panel Report published by the Urban Land Institute in 2009 entitled "Southwest Center Mall Dallas, Texas"). These assessments are intended to be used as part of the economic feasibility study for the District in accordance with the provisions of Section 311.011 of the Texas Tax Code and are available upon request.

In the Montfort-IH 635 Sub-District, cumulative private development is expected to increase property values from a base year value of \$142.7 million to \$4.074 billion during the 30-year term of the District. Since the TIF fund receives revenue only from the taxable value exceeding the base year, "captured" taxable value accruing to the Montfort-IH 635 Sub-District will be approximately \$3.931 billion. In the Westmoreland-IH 20 Sub-District, cumulative private development is expected to increase property values from a base year value of \$19.6 million to \$315 million during the 30-year term of the District. Since the TIF fund receives revenue only from the taxable value exceeding

Exhibit B

the base year, “captured” taxable value accruing to the Westmoreland-IH 20 Sub-District will be approximately \$295 million.

On a strict “pay-as-you-go” basis, the progress of the public improvements portion of the development program is a direct result of the revenues received. Therefore, if revenues exceed these projections, then the public improvements can be completed ahead of schedule. If revenues do not meet expectations, then the pace of public improvements will be slowed or discontinued altogether based upon the recommendation of the TIF Board of Directors and the approval of the City Council.

Based upon these economic assessments, the Preliminary Project Plan and Reinvestment Zone Financing Plan is feasible.

TIF Project Costs and Debt Service

Pursuant to this Preliminary Project Plan and Reinvestment Zone Financing Plan, balances in the TIF fund will be disbursed to reimburse TIF project costs. The City will not be obligated to reimburse TIF project costs unless there are sufficient dollars in the TIF fund to facilitate reimbursement. Disbursement from the TIF fund shall be executed in a timely fashion and not unreasonably withheld.

Reimbursement of TIF project costs appears to be economically feasible if development, project costs, real property appraisals, tax levies and tax collections occur according to the analyses and assumptions in this plan.

It is anticipated that the reinvestment zone will be designated by the City Council in calendar year 2014, thus making the certified 2014 tax roll (based on January 1, 2014 conditions and adjusted for final valuations) the base value for the zone. The District will terminate at the end of calendar year 2044, upon full collection of the TIF budget, or at such other date as set by the City Council. This length of term enables the City of Dallas and other local taxing jurisdictions to allocate percentages of tax increments to the TIF fund in later years if, in their discretion, further investments are warranted.

The TIF fund may have a residual balance of cash after all its financial obligations have been met. Any residual balance will be refunded to taxing entities participating in the District on a pro rata basis according to their respective contributions.

No bonded indebtedness is currently anticipated for the TIF fund. However, the City may determine at a future date that it would be advantageous to issue obligations backed by a reliable cash flow to the TIF fund and/or other sources, thus reimbursing TIF project costs at an earlier date than otherwise. The City reserves all powers to determine the appropriateness of issuing securities and to approve an issue of securities; however, it has no obligation to issue securities to prepay TIF obligations. Any use of TIF bonds is subject to provisions of the City’s Financial Management Performance Criteria (“FMPC”).

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General Financial Policies

General financial policies are governed by the City of Dallas Public/Private Partnership Program that was first approved by the City Council on March 13, 1996. This program provides a framework for development incentives in a variety of areas. Within this framework are the following specific considerations for the Montfort-IH 635 Area TIF District:

- Public improvements will occur at a pace that coincides with private development.
- Private developers must enter into a development agreement with the City if they desire the municipality to share in the costs of infrastructure improvements required for their projects.
- Reimbursement priorities and the method of apportioning available increment will be developed by City staff and adopted by the Mall Area Redevelopment TIF District Board of Directors generally consistent with the policy considerations outlined herein. Reimbursement obligations will be specifically described in each development agreement.
- Each development agreement is unique. Accordingly, the nature and extent of support from public funds may change over time as the District becomes more developed.
- It is possible that the District may issue certificates of obligation or TIF bonds for projects as described earlier in the Preliminary Project Plan and Reinvestment Zone Financing Plan, subject to the approval of the City Council and provisions of the City's Financial Management Performance Criteria ("FMPC").
- If a developer requests funding for infrastructure improvements at a time when sufficient funds are not available in the TIF fund, then improvements may be:
 - Deferred until funds are available
 - Constructed at the sole expense of the developer
 - Constructed at the expense of the developer with the City providing reimbursement as sufficient funds become available or when bonds or other financial obligations have been issued by the City or District (with City Council approval)
- Should project costs that directly benefit the project's developer be paid, such as grants made to a developer as permitted by Chapter 311 of the Texas Tax Code, the City will enact and implement controls sufficient to ensure that any grant funds provided will be used to fulfill the public purposes of developing and diversifying the Mall Area Redevelopment TIF District's economy, eliminating unemployment or underemployment, and

Exhibit B

developing or expanding the District's transportation, business and commercial activity.

- It is acknowledged that some desired expenditures benefitting the entire District are likely to be beyond the capacity of TIF funding. Other sources of funding will be considered to supplement TIF funding and/or to advance the delivery of particular improvements, including but not limited to the following:
 - the additional open space requirement of PD 887
 - bonds (City general obligation and certificates of obligation)
 - public improvement district
 - grants from other governmental entities
 - private philanthropic contributions

The Mall Area Redevelopment TIF District Board of Directors may occasionally recommend amendments to these financial policies which will affect the operations of the District.

Other Financial Benefits

Over the 30-year life of the District, the planned private development program in the Preliminary Project Plan and Reinvestment Zone Financing Plan includes up to 9,294 new residential units, 847,870 square feet of new retail space, 72,991 square feet of renovated movie theater space, 45,000 square feet of new movie theater space, 4,057,022 square feet of new office space, and 1,037 new hotel rooms. Because the City and DART each have a one percent sales tax and the City also has a seven percent hotel occupancy tax (plus an additional two percent for hotels with more than 100 rooms in the Tourism Public Improvement District) and business personal property tax, additional tax revenue will be generated by the District.

Appendix C-1 and Appendix C-2 project the additional City and DART sales tax revenue attributed to the anticipated retail development in the Montfort-IH 635 Sub-District and Westmoreland-IH 20 Sub-District respectively. By 2045, the City and DART will each receive roughly \$74.2 million (net present value of \$31.5 million in 2014 dollars) in incremental sales tax revenue from the District.

Appendix D-1 and Appendix D-2 project the additional City hotel occupancy tax and business personal property tax attributed to the anticipated hotel, retail, and office development in the Montfort-IH 635 Sub-District and Westmoreland-IH 20 Sub-District respectively. By 2045, the City will receive roughly \$173.5 million (net present value of \$71.3 million in 2014 dollars) in incremental hotel occupancy and business personal property taxes from the District.

More than 94% of the District (not including rights-of-way) is located within the Dallas Independent School District (DISD), and less than 6% of the District is located within the Richardson Independent School District (RISD). The DISD and RISD are not expected to participate in the District. Since September 1999, state law governing school funding makes TIF district participation generally unattractive for school districts. Nevertheless, the DISD and RISD will receive incremental real property and business personal

Exhibit B

property taxes from the District. Using only the DISD tax rate, Appendix E-1 and Appendix E-2 project the incremental real property and business personal property tax revenue attributed to the Montfort-IH 635 Sub-District and Westmoreland-IH 20 Sub-District respectively. An estimated \$764.8 million (net present value of \$315.8 million in 2014 dollars) in incremental real property and business personal property tax will flow to the school districts over the 30-year life of the District (nearly all of which will flow to the DISD). All school district tax projections bear risk that new state law may cap the rate of the local property taxes a school district may levy.

Conclusion

Based upon these economic assessments for the Mall Area Redevelopment TIF District, the Preliminary Project Plan and Reinvestment Zone Financing Plan is feasible.

Exhibit B

**Appendix A-1
2013 DCAD Real Property Accounts
Montfort-IH 635 Sub-District**

Dallas Central Appraisal District	Account Number	Tax Exempt	Property Address	Appraised Value (Improvements)	Appraised Value (Land)	Appraised Value (Total)	Taxable Value (Total)
	0000073107800000		5636 ALPHA RD	\$33,090	\$266,910	\$300,000	\$300,000
	0000073107810000		5624 ALPHA RD	\$200,880	\$303,440	\$504,320	\$504,320
	00000731074550100		5702 ALPHA RD	\$0	\$631,440	\$631,440	\$631,440
	007409000A0080000		5702 ALPHA RD	\$1,070	\$633,930	\$635,000	\$635,000
	00000663028000000		5840 ALPHA RD	\$23,650	\$801,350	\$825,000	\$825,000
	007014000001A0200		5820 ALPHA RD	\$0	\$3,780	\$3,780	\$3,780
	007014000001A0300		5820 ALPHA RD	\$0	\$9,890	\$9,890	\$9,890
	007014000001A0000		5820 ALPHA RD	\$949,920	\$850,080	\$1,800,000	\$1,800,000
	007014000001A0100		5820 ALPHA RD	\$1,347,650	\$583,880	\$1,931,530	\$1,931,530
	00000731074550000		5702 ALPHA RD	\$0	\$1,247,810	\$1,247,810	\$1,247,810
	007409000A07A0000		5702 ALPHA RD	\$1,000	\$3,072,870	\$3,073,870	\$3,073,870
	00000731077900000		5656 ALPHA RD	\$89,880	\$185,120	\$275,000	\$275,000
	00000663033250000		5954 ALPHA RD	\$1,000	\$856,610	\$857,610	\$857,610
	00000663033500000		5960 ALPHA RD	\$161,210	\$480,650	\$641,860	\$641,860
	00000663370000000		5327 LBJ FWY	\$0	\$15,516,250	\$15,516,250	\$15,516,250
	00701600020030000		5544 ALPHA RD	\$89,240	\$335,760	\$425,000	\$425,000
	00000731077600000		13138 MONTFORT DR	\$1,140	\$17,500,310	\$17,501,450	\$17,501,450
	007409000A01A0000		13364 MONTFORT PL	\$1,189,280	\$1,277,950	\$2,467,230	\$2,467,230
	00000663052000000		5507 PETERSON LN	\$0	\$402,930	\$402,930	\$402,930
	00000663055000000		5503 PETERSON LN	\$0	\$305,200	\$305,200	\$305,200
	00701600020020000		5528 ALPHA RD	\$194,080	\$845,920	\$1,040,000	\$1,040,000
	00701600020020100		5518 ALPHA RD	\$268,620	\$1,081,380	\$1,350,000	\$1,350,000
	00000663058500000		5575 PETERSON LN	\$125,040	\$849,080	\$974,120	\$974,120
	00000663058550000		13443 MONTFORT DR	\$140,210	\$547,120	\$687,330	\$687,330
	00000663058700000		13521 MONTFORT DR	\$1,094,050	\$1,400,880	\$2,494,930	\$2,494,930
	00000663058750000		13539 MONTFORT DR	\$92,570	\$274,420	\$366,990	\$366,990
	00000663058000000		5444 ALPHA RD	\$128,470	\$507,380	\$635,850	\$635,850
	00000663255500000		5423 PETERSON LN	\$548,270	\$2,446,330	\$2,994,600	\$2,994,600
	00000663255000000	X	5351 PETERSON LN	\$2,051,930	\$2,448,070	\$4,500,000	\$0
	00000663345610000		13131 MONTFORT DR	\$59,710	\$9,517,040	\$9,576,750	\$9,576,750
	00000663058600000		13447 MONTFORT DR	\$305,140	\$388,540	\$693,680	\$693,680
	00000663059020000		13525 MONTFORT DR	\$3,090	\$303,690	\$306,780	\$306,780
	00000663059000000		13519 MONTFORT PL	\$1,000	\$395,280	\$396,280	\$396,280
	00000663059040000		13500 MONTFORT DR	\$289,640	\$303,000	\$592,640	\$592,640
	CONDO00C1165CONDO		5330 PETERSON LN	\$0	\$1,696,560	\$1,696,560	\$1,696,560
	00000663033750000		13555 PRESTON RD	\$63,190	\$467,950	\$531,140	\$531,140
	00000663033850000		13535 PRESTON RD	\$264,680	\$339,600	\$604,280	\$604,280
	00000731077200000		13131 PRESTON RD	\$2,388,390	\$3,624,100	\$6,012,490	\$6,012,490
	00000731077310000		13131 PRESTON RD	\$1,872,880	\$11,980,050	\$13,852,930	\$13,852,930
	00000731077400000		13131 PRESTON RD	\$2,000	\$27,725,370	\$27,727,370	\$27,727,370
	00000731077320000		13131 PRESTON RD	\$313,730	\$805,860	\$1,119,590	\$1,119,590
	00000731076500000		13101 PRESTON RD	\$1,000	\$2,762,690	\$2,763,690	\$2,763,690
	00000731077500000		13131 PRESTON RD	\$0	\$1,950,680	\$1,950,680	\$1,950,680
	00000731077450000		13343 PRESTON RD	\$1,000	\$9,546,960	\$9,547,960	\$9,547,960
	00000731077550000		13131 PRESTON RD	\$0	\$1,409,620	\$1,409,620	\$1,409,620
	00000663016000000		13439 PRESTON RD	\$1,000	\$3,152,600	\$3,153,600	\$3,153,600
	00000663022000000		13439 PRESTON RD	\$0	\$860,460	\$860,460	\$860,460
	TOTAL			\$14,298,700	\$132,896,790	\$147,195,490	\$142,695,490

Note: The base value shown here is from the 2013 certified tax roll from DCAD. The base value will be adjusted to reflect the 2014 certified tax roll (as of January 1, 2014) when it becomes available from DCAD in August 2014. The base value may also be revised to reflect litigation or tax roll corrections. Accounts shown are primary accounts and do not show all associated "multi-accounts;" however, values are all-inclusive. Taxable values may vary by taxing jurisdiction due to different exemption levels.

Exhibit B

Appendix A-2
2013 DCAD Real Property Accounts
Westmoreland-IH 20 Sub-District

Dallas Central Appraisal District Account Number	Tax Exempt	Property Address	Appraised Value (Improvements)	Appraised Value (Land)	Appraised Value (Total)	Taxable Value (Total)
00693200200020000		7220 American Way	\$0	\$139,370	\$139,370	\$139,370
00693200020010000		7227 S. Westmoreland	\$0	\$245,330	\$245,330	\$245,330
00693200020020000		7233 S. Westmoreland	\$0	\$117,840	\$117,840	\$117,840
00000654142000000		7202 S. Westmoreland	\$0	\$644,360	\$644,360	\$644,360
006931000A07A0000		3662 W. Camp Wisdom	\$2,521,550	\$3,582,530	\$6,104,080	\$6,104,080
006931000A02E0000		3550 W. Camp Wisdom	\$5,400	\$1,563,060	\$1,568,460	\$1,568,460
00000654139500000		3450 W. Camp Wisdom	\$3,198,560	\$1,725,110	\$4,923,670	\$4,923,670
006931000A07B0000		7465 Marvin D. Love Fwy	\$1,632,280	\$734,710	\$2,366,990	\$2,366,990
006931000A08A0000		3560 W. Camp Wisdom	\$1,006,890	\$1,493,110	\$2,500,000	\$2,500,000
00000654141800000		7575 Marvin D. Love Fwy	\$0	\$298,940	\$298,940	\$298,940
006931000A07C0000		3200 W. Camp Wisdom	\$0	\$208,360	\$208,360	\$208,360
00000654139000000		3540 W. Camp Wisdom	\$0	\$453,410	\$453,410	\$453,410
TOTAL			\$8,364,680	\$11,206,130	\$19,570,810	\$19,570,810

Note: The base value shown here is from the 2013 certified tax roll from DCAD. The base value will be adjusted to reflect the 2014 certified tax roll (as of January 1, 2014) when it becomes available from DCAD in August 2014. The base value may also be revised to reflect litigation or tax roll corrections. Accounts shown are primary accounts and do not show all associated "multi-accounts;" however, values are all-inclusive. Taxable values may vary by taxing jurisdiction due to different exemption levels.

Exhibit B

Appendix B
DCAD Appraisals of Comparable Developments

The purpose of this schedule is to relate actual appraisals for tax purposes and other quantitative measures of comparable development in the metropolitan area. Real property appraisals are for tax year 2013, reflecting values as of January 1, 2013, unless otherwise indicated. Within use types, properties are sorted in descending order of total appraised value per SF of gross floor area. Improvement appraisals include garages, if on the premises. Gross floor area measurements exclude parking garages.

Table with columns: (a) Use, (b) Development Identity, (c) Street/Address, (d) City, (e) Floor Area, (f) Gross, (g) Land SF, (h) Floor, (i) Coverage, (j) Improvements, (k) Land, (l) Total Value, (m) Land SF, (n) Appraisal Year, (o) Built, (p) Units, (q) Bus, (r) Personal, (s) Property, (t) PPF Per SF GFA. Rows include various commercial and retail developments like Galleria, Legacy Town Center, and various office buildings.

Appendix B DCAD Appraisals of Comparable Developments

(a) Use	(b) Development Identity	(c) Street Address	(d) City	(e) Floor Area	(f) Gross Area	(g) Land SF	(h) Floor Coverage	(i) Improvements	(j) Land	(k) Total Value	(l) Total per SF GFA	(m) Land SF	(n) Appraisal Year	(o) Year Built	(p) Stories	(q) Units	(r) Bus. Personal Property	(s) BPP per SF GFA	
	apartments	4801 Morris		158,263	48,953		3.21	\$13,772,460	\$392,240	\$14,314,700	\$80	\$12	1989	1989	4	171		\$7	
	apartments	4851 Morris		97,809	69,337		1.49	\$7,657,430	\$60,370	\$8,311,800	\$85	\$10	2000	2000	4	93		\$10	
	Post at Addison Circle		Adison	1,509,591	794,173		2.14	\$132,919,310	\$6,324,490	\$141,300,000	\$94	\$12	2013	2013		1,334		\$10	
	apartments	2140 Medical District		359,598	316,158		1.12	\$44,876,840	\$6,921,160	\$51,000,000	\$145	\$20	2008	2008	4	396		\$2	
	apartments	2032 21st		304,102	203,218		1.50	\$24,993,840	\$4,084,360	\$29,028,000	\$95	\$20	2008	2008	4	278		\$2	
	retail	2222 Medical District		57,251	35,077		1.53	\$3,093,280	\$701,540	\$3,799,820	\$66	\$20	2006	2006	1			\$2	
	Chiville at Southwestern Medical		Dallas	381,363	238,285		1.52	\$28,061,520	\$4,765,900	\$32,827,820	\$81	\$20	2008	2008	4	278		\$2	
Retail centers																			
	Highland Park Village	4200 Mockingbird		278,142	423,054			\$66,440,100	\$43,558,900	\$110,000,000	\$103	\$103	1831	1831					
	HPV parking north of Mockingbird	4200 Mockingbird		0	100,853		0.53	\$66,440,100	\$46,834,450	\$114,974,550	\$413	\$49	2013	2013					
	Highland Park Village		High Park	278,142	523,417			\$66,440,100	\$46,834,450	\$114,974,550	\$413	\$49	2013	2013					
	NorthPark	8807 N. Central		1,718,484	3,345,080		0.51	\$381,796,400	\$200,703,800	\$582,500,000	\$340	\$80	1965	1965	2		\$22,626,248	\$72	
	Northpark Land Partners (Macy's)	7801 W Northwest		250,000	151,088		1.65	\$73,989,201	\$9,065,280	\$16,781,880	\$79	\$80	2000	2000	2		\$11,798,980	\$47	
	Northpark	7801 W Northwest		202,905	0			\$16,278,030	\$0	\$16,278,030	\$133	\$90	1965	1965	2		\$19,980,280	\$96	
	Neiman Marcus	0 Northpark		139,940	83,625		1.67	\$13,892,500	\$5,017,500	\$18,800,000	\$133	\$90	1965	1965	2		\$25,993,200	\$185	
	8950 Boedeker		Dallas	64,307	67,165		0.74	\$677,570	\$3,222,430	\$4,800,000	\$72	\$45	1973	1973	3		N/A	\$19,757,119	
	NorthPark total		Dallas	2,370,636	3,696,938		0.66	\$422,051,110	\$276,706,810	\$647,759,920	\$271	\$80	2013	2013					
	MacArthur Mills shopping center	4000 N. MacArthur	Irving	137,223	572,289		0.24	\$14,277,310	\$5,722,680	\$20,000,000	\$146	\$10	2013	1997					
	Stonebriar Mall dept. stores (S)			694,477	2,475,753		0.26	\$73,989,201	\$24,757,620	\$49,156,831	\$54	\$10							
	Other mall stores inside ring road			1,225,169	2,147,726		0.57	\$214,233,931	\$21,660,340	\$235,192,271	\$192	\$10							
	Stonebriar Mall outside ring road			525,865	3,661,545		0.14	\$45,945,064	\$53,081,095	\$99,926,249	\$188	\$14							
	Stonebriar Mall total		Frisco	2,842,511	8,285,034		0.32	\$483,478,766	\$83,737,055	\$383,275,851	\$145	\$12	2013	2000					
	Chase Bank	908 McDermott W		4,485	52,485		0.09	\$647,088	\$970,973	\$1,618,041	\$361	\$18	1989	1989			\$240,135	\$54	
	Hobby Lobby dept. stores (S)	107 Central N		135,221	504,926		0.27	\$14,475,163	\$3,533,792	\$18,008,945	\$133	\$7	1999	1999			\$902,583	\$7	
	Compass Bank	808 McDermott W		2,607	54,686		0.05	\$419,397	\$87,948	\$1,407,245	\$540	\$18	1999	1999			\$106,404	\$41	
	Jack in the Box	804 McDermott W		2,789	35,092		0.08	\$392,341	\$66,748	\$1,059,069	\$378	\$19	1999	1999			\$128,904	\$46	
	Golden Chick	802 McDermott W		3,915	56,192		0.07	\$237,611	\$1,180,040	\$1,417,651	\$362	\$21	1999	1999			\$169,986	\$43	
	Chino Mexican Grill	103 Central N		4,683	40,946		0.11	\$606,411	\$777,974	\$1,284,385	\$274	\$18	2000	2000			\$77,148	\$16	
	Slacy's Furniture, etc.	111 Central N		125,370	447,453		0.28	\$5,404,587	\$3,356,688	\$8,760,485	\$70	\$8	1999	1999			\$285,057	\$2	
	Holiday Inn Express	201 Central N		2,950	35,599		0.08	\$318,987	\$65,013	\$325,000	\$314	\$17	1999	1999			\$108,124	\$37	
	On the Border	205 Central N		50,523	92,430		0.55	\$3,104,346	\$785,855	\$3,890,000	\$77	\$9	2006	2006			\$0	\$0	
	Edwin Waits Golf	208 Central N		7,200	96,054		0.11	\$717,736	\$1,122,918	\$1,840,653	\$256	\$17	2000	2000			\$136,896	\$76	
	Jason's Del. misc. retail	806 McDermott W		29,259	188,280		0.16	\$316,360	\$396,385	\$733,316	\$175	\$17	2001	2001			\$34,509	\$32	
	Tom Thurb	900 McDermott W		59,964	267,350		0.22	\$3,297,433	\$2,090,765	\$4,472,020	\$153	\$8	1998	1998			\$2,578,148	\$43	
	Chi-Fu-A	914 McDermott W		7,500	29,694		0.25	\$1,699,958	\$548,199	\$1,244,955	\$218	\$17	2000	2000			\$170,787	\$44	
	SMH	802 McDermott W		9,800	42,604		0.12	\$749,917	\$925,820	\$1,678,737	\$263	\$18	2000	2000			\$336,953	\$51	
	24-Hour Fitness	810 McDermott W		38,485	146,017		0.26	\$4,183,947	\$903,096	\$4,988,743	\$130	\$5	2002	2002			\$385,459	\$9	
	vacant	504 Walters N		0	55,452		0.00	\$0	\$0	\$304,985	\$304,985	\$5	\$5					\$0	N/A
	McDermott @ Central (NVI center)		Allen	489,659	2,178,403		0.22	\$39,308,343	\$30,781,517	\$69,597,856	\$24	\$10	2013	2013					\$6,970,943
	907 Bethany			753,787	1,287,546		0.59	\$83,847,565	\$7,225,279	\$91,372,844	\$121	\$6	2007	2007					
	985 Bethany		Allen	72,080	186,228		0.39	\$6,178,709	\$7,117,565	\$13,296,274	\$101	\$6	2007	2007					
	Walters Creek at Montgomery Farm		Allen	828,947	1,413,774		0.56	\$89,926,645	\$8,842,645	\$99,689,319	\$119	\$6	2013	2013					

Appendix B
DCAD Appraisals of Comparable Developments

Table with columns: Use, Development Identity, Street Address, City, Floor Area, Land SF, Coverage, Improvements, Land, Total Value, Total per SF GFA, Land per SF, Appraisal Year, Blnt, Stomes, Units, Bus. Personal Property, BPP per SF GFA. Rows include various commercial and hotel properties like medical centers, shopping centers, and hotels.

Appendix B DCAD Appraisals of Comparable Developments

(a) Use	(b) Development Identity	(c) Street Address	(d) City	(e) Floor Area	(f) Gross Floor Area	(g) Land SF	(h) Floor Coverage	(i) Improvements	(j) Land	(k) Total Value	(l) Total per SF GFA	(m) Land SF	(n) Appraisal Year	(o) Built	(p) Stores	(q) Units	(r) Bus Property	(s) BPP per SF GFA	
		900 E. Lookout	Richardson	176,800	38,155	4.63	\$11,893,950	\$305,240	\$69	\$12,199,190	\$69	\$8	2000	1987					
		900 E. Lookout	Richardson	104,723	18,077	5.78	\$7,733,268	\$171,732	\$75	\$7,905,000	\$75	\$10	2000	1987					
		900 E. Lookout	Richardson	30,000	74,697	0.40	\$2,760,361	\$709,619	\$117	\$3,500,000	\$117	\$9	2013	1987					
		Marriott Renaissance	Richardson	311,523	330,929	2.38	\$22,387,568	\$1,186,591	\$76	\$23,574,160	\$76	\$9	2013	1987	12	218			
		Richardson Hotel	Richardson	238,194	304,920	0.76	\$15,753,640	\$2,439,260	\$76	\$18,193,200	\$76	\$9	2013	1988	18	342			
		221 E. Las Colinas	Irving	469,605	254,780	1.84	\$29,154,920	\$3,071,120	\$89	\$32,126,040	\$89	\$12	2013	1982	27	421			
		215 E. Las Colinas	Irving	5,135	34,884	0.15	\$245,110	\$418,010	\$128	\$663,120	\$128	\$12	2013	1981					
		Omni Mandalay	Irving	474,940	289,594	1.84	\$29,400,000	\$3,747,130	\$89	\$32,875,160	\$89	\$12	2013	1981					
		2007 Live Oak	Dallas	13,457	0	0	\$2,609,680	\$7,289,140	\$53	\$5,000,000	\$53	\$54	2013	1987					
		2117 Live Oak	Dallas	1,323,272	99,556	1.60	\$2,881,070	\$5,145,190	\$65	\$6,056,660	\$65	\$10	2013	1986					
		443 Olive	Dallas	292,056	75,366	0.26	\$4,354,870	\$4,145,130	\$65	\$8,500,000	\$65	\$10	2013	1986					
		480 Olive	Dallas	0	7,630	0	\$0	\$94,550	\$94,550	\$94,550	\$94,550	\$94,550	2013	1987					
		Sheraton	Dallas	1,615,328	228,268	7.14	\$69,545,650	\$12,105,400	\$83	\$10,851,200	\$83	\$54	2013	2004					
		La Quinta Inn & Suites	Allen	48,108	78,321	0.69	\$2,394,436	\$783,208	\$69	\$3,187,645	\$69	\$10	2013	2008	4	80			
		Holiday Inn Express	Allen	50,523	92,430	0.65	\$3,014,345	\$785,655	\$75	\$3,800,000	\$75	\$9	2013	2005	4	78			
		Cinemas																	
		Cinemark Theater	Plano	100,530	858,825	0.12	\$8,711,206	\$5,355,431	\$140	\$14,066,737	\$140	\$6	2013	1988					\$1,612,267
		Look Cinemas	Addison	56,161	259,809	0.22	\$2,156,970	\$5,196,180	\$131	\$7,353,150	\$131	\$20	2013	2012					\$27
		Cinemark Theater	McKinney	55,744	385,201	0.14	\$3,505,814	\$2,694,088	\$5,170,000	\$111	\$7,200,000	\$111	\$7	2013	1994				\$1,489,407
		Studio Movie Grill	Dallas	59,829	224,178	0.27	\$1,478,210	\$4,443,560	\$5,821,770	\$88	\$20,200,000	\$88	\$20	2013	1993				\$27
		AMC Mesquite 30	Mesquite	130,691	1,028,451	0.13	\$8,843,100	\$7,068,900	\$11,000,000	\$84	\$2,200,000	\$84	\$2	2013	1997				\$8
		Cinemark Theater	Cedar Hill	46,228	365,729	0.13	\$3,605,630	\$2,194,370	\$5,800,000	\$125	\$6,000,000	\$125	\$6	2013	2004				
		Office buildings																	
		Knox Park Village	Dallas	79,127	97,172	0.91	\$12,988,120	\$3,486,880	\$16,475,000	\$208	\$40,200,000	\$208	\$40	2013	2002	4			\$1,534,810
		2100 McKinney	Dallas	374,854	138,491	2.74	\$51,302,100	\$16,378,920	\$67,681,020	\$181	\$120,200,000	\$181	\$120	2013	1988	13			\$8,348,040
		Hall Office Park (developed tracts only)	Frisco	2,009,089	5,464,122	0.37	\$266,010,978	\$38,919,522	\$304,830,500	\$152	\$7,200,000	\$152	\$7	2013					\$22
		1845 Woodall Rodgers	Dallas	185,007	36,180	5.11	\$21,051,200	\$4,342,800	\$25,394,000	\$137	\$120,200,000	\$137	\$120	2013	1984	17			\$13
		Chase Tower	Dallas	1,253,167	111,993	11.19	\$160,350,810	\$6,159,620	\$166,510,430	\$133	\$55,200,000	\$133	\$55	2013	1985	55			\$26,747,200
		Williams Center	Irving	1,581,328	672,281	2.37	\$201,329,880	\$3,007,140	\$209,397,000	\$132	\$12,200,000	\$132	\$12	2013					
		Trammell Crow Center	Dallas	1,245,924	95,048	13.10	\$152,747,120	\$5,702,880	\$158,450,000	\$127	\$60,200,000	\$127	\$60	2013	1982	54			\$22,660,010
		Fountain Place	Dallas	1,287,418	78,948	16.45	\$113,003,160	\$4,730,980	\$117,734,040	\$91	\$60,200,000	\$91	\$60	2013	1984	60			
		7441 Marvin D Love Fwy	Dallas	30,119	36,952	0.64	\$1,162,630	\$107,860	\$1,270,490	\$42	\$3,200,000	\$42	\$3	2013	1985	3			
		7330 S. Westmerland	Dallas	66,256	286,403	0.23	\$2,366,050	\$859,210	\$3,215,260	\$40	\$3,200,000	\$40	\$3	2013	1978	2			
		Residences, individually owned (condos, townhomes)																	
		2900 McKinnon	Dallas	476,640	57,094	8.35	\$120,787,388	\$4,957,056	\$125,744,424	\$264	\$75,200,000	\$264	\$75	2008	2005	31	156		
		2011 Cedar Springs condos	Dallas	105,574	42,727	2.47	\$28,085,502	\$4,423,700	\$32,509,202	\$259	\$100,200,000	\$259	\$100	2008	1999	7	44		

Exhibit B

Appendix B
DCAD Appraisals of Comparable Developments

(a) Use	(b) Development Identity	(c) Street Address	(d) City	(e) Gross Floor Area	(f) Floor Area	(g) Land SF	(h) Floor Coverage	(i) Improvements	(j) Land	(k) Total Value	(l) Total per SF GFA	(m) Land SF	(n) Appraisal Year	(o) Suit	(p) Stories	(q) Units	(r) Bus. Personal Property	(s) BPS per SF GFA
1898 McKinney condos		1898 McKinney	Dallas	158,718	28,102	5,48	5.48	\$33,480,500	\$2,910,200	\$36,390,700	\$228	\$60	2008	2000	12	60		
Townhomes at Addison Circle		5002-12Homs	Addison	15,550	9,946	1.57	1.57	\$2,997,230	\$403,240	\$3,400,470	\$218	\$41	2009	1998	6	6		
Gran Treviso condos		330 E. Las Colinas	Iring	273,718	143,100	1.91	1.91	\$54,706,815	\$1,431,000	\$56,137,815	\$205	\$10	2008	2001	17	248		
Knox Travis Park condos		4611 Travis	Dallas	102,752	26,898	3.82	3.82	\$15,288,244	\$1,210,410	\$16,498,654	\$160	\$45	2008	2000	11	63		
Legacy Townhomes (random sample)		5792 Robbie	Plano	1,568				\$183,685	\$75,000	\$258,685	\$166		2006					
		5709 Lunsford		1,631				\$184,482	\$75,000	\$259,482	\$159		2005					
		5721 Lunsford		1,980				\$180,706	\$75,000	\$255,706	\$184		2005					
		7219 Kasko		1,980				\$180,706	\$75,000	\$255,706	\$184		2005					
		7205 Kasko		1,980				\$180,706	\$75,000	\$255,706	\$184		2005					
		1468		1,668				\$28,685	\$75,000	\$103,685	\$174		2002					
		5728 Lunsford		1,980				\$28,685	\$75,000	\$103,685	\$174		2002					
		5772 Robbie		1,213				\$212,310	\$75,000	\$287,310	\$144		2006					
				2,241	1,823	1.23	1.23	\$160,000	\$50,000	\$200,000	\$89	\$27	2013	2007	3	1		
Hunters Ridge 2		1508 Blimore	Iring	2,211	1,886	1.17	1.17	\$157,808	\$42,800	\$200,608	\$91	\$23	2013	2012	3	1		
Coronado Village		1817 Cortez	McKinney	377,478	84,860	3.98	3.98	\$70,827,600	\$6,172,400	\$77,000,000	\$204	\$65	2013	2007	19	375		
Residences, rental		2728 McKinnon	Dallas	340,538	181,724	1.87	1.87	\$54,487,840	\$11,812,060	\$66,300,000	\$195	\$65	2012	2004	4	317		
Alta Uptown		2820 McKinnon	Dallas	366,780	96,790	4.00	4.00	\$63,443,050	\$6,291,350	\$69,734,400	\$180	\$65	2013	2003	18	267		
Windsor at Trianon		2215 Cedar Springs	Dallas	141,392	39,814	3.55	3.55	\$20,918,800	\$3,651,400	\$24,570,200	\$173	\$69	2012	2002	7	144		
Ashton		3224 McKinney	Dallas	361,984	123,275	2.94	2.94	\$47,195,750	\$9,628,250	\$56,824,000	\$154	\$70	2013	2003	20	218		
Marquis on McKinney		3600 Blackburn	Dallas	215,819	63,658	3.39	3.39	\$29,319,200	\$3,912,190	\$33,231,390	\$152	\$55	2013	2008	5	228		
The Mondrian		2611 Ross	Dallas	318,005	286,407	1.11	1.11	\$36,563,120	\$3,438,680	\$40,000,000	\$126	\$12	2013	2006	4	282		
Arts		301 W. Las Colinas	Iring	343,060	214,488	1.60	1.60	\$41,098,250	\$3,217,340	\$44,315,590	\$129	\$15	2013	2008	4	355		
Monterra		1551 Oak Lawn	Dallas	397,294	132,117	3.01	3.01	\$39,262,390	\$6,487,610	\$45,750,000	\$120	\$65	2013	1999	7	280		
Hi-Line Apartments		2610 Allen	Dallas	328,176	285,772	1.11	1.11	\$33,050,367	\$2,219,293	\$35,269,660	\$107	\$8	2013	2007				
Rovello		7560 Bishop	Plano	312,593	200,868	1.56	1.56	\$30,152,850	\$2,411,830	\$32,564,680	\$104	\$12	2013	2005				
Legacy Apartments - North		7008 Bishop	Plano	142,507	60,813	2.34	2.34	\$9,434,560	\$4,665,040	\$14,100,000	\$100	\$80	2013	1995	4	127		
Legacy Apartments - UDR		2600 Cole	Dallas	364,798	195,236	1.87	1.87	\$33,848,960	\$1,171,420	\$35,020,000	\$96	\$6	2013	2007	4	276		
Gables Mirabella		2301 Performance	Richardson	404,719	245,678	1.65	1.65	\$36,062,280	\$1,865,420	\$38,047,700	\$94	\$8			4	351		
Gaiayln Urban Center		1801 N. Greenville	Richardson	97,813	89,249	1.13	1.13	\$3,562,310	\$368,900	\$3,931,210	\$35	\$8			4	485		
Fion		1851 N. Greenville	Richardson	502,332	331,927	1.51	1.51	\$44,044,350	\$2,655,410	\$46,700,000	\$94	\$8	2013	2007	4	485		
Sewoye 2		3690 Vitruvian	Addison	396,827	191,734	2.07	2.07	\$42,660,880	\$1,917,340	\$44,578,200	\$112	\$10	2013	2011	12	381		
Sewoye 1		3900 Vitruvian	Addison	334,319	158,658	2.11	2.11	\$48,545,290	\$2,360,340	\$50,925,630	\$152	\$15	2013	2010	9 and 6	347		
Villa Piana		3610 Vitruvian	Addison	445,942	208,872	2.12	2.12	\$50,741,920	\$3,148,080	\$53,890,000	\$121	\$15	2013	2008	5 and 7	392		
Villa Verona		13500 Noel	Dallas	224,093	154,656	1.45	1.45	\$31,048,800	\$3,671,400	\$34,920,000	\$156	\$25	2013	2007	5	246		
Disoto Town Center		13330 Noel	Dallas	434,228	111,623	3.89	3.89	\$33,409,420	\$2,780,580	\$36,200,000	\$93	\$25	2013	1999	4 and 16	273		
Flats at Five Mile Creek		207 E Pleasant Run	Disoto	47,924	45,198	1.06	1.06	\$4,164,260	\$246,590	\$4,410,850	\$92	\$6	2013	2008	3	56		
		423 E Liebetter	Dallas	136,885	273,034	0.50	0.50	\$6,190,070	\$405,550	\$6,595,620	\$48	\$1	2013	2002	3	152		

Exhibit B

Appendix C-1
Annual Projection of Sales Tax to the City of Dallas and
Dallas Area Rapid Transit from the Montfort-IH 635 Sub-
District

3%

Table with columns for Fiscal Year, Retail, and DART. Rows include years from 2014 to 2044 and a Total row. Columns include Retail, 2021, 2022, 2027, 2038, 2039, 2040, 2041, and DART. Sub-headers include Sales Tax from Net New Sales @ 1%, Cumulative Sales Tax Net Present Value (2014 dollars) Annual Discount Rate @ 4%, and Sales Tax from Net New Sales @ 4%.

Notes:
Gross floor areas and lining estimates imported from other schedules.
Businesses are assumed opening by July of the previous fiscal year (three months before the indicated fiscal year begins).
Sales tax column approximates tax receipts in the indicated fiscal year.
Does not include sales tax from materials used in construction.

Exhibit B

Appendix C-2 Annual Projection of Sales Tax to the City of Dallas and Dallas Area Rapid Transit from the Westmoreland-IH 20 Sub-District

Notes:
Gross floor areas and timing estimates imported from other schedules.
Businesses are assumed operating by July of the previous fiscal year (three months before the indicated fiscal year begins).
Estimated sales per square foot are adjusted annually for inflation at 3%
Sales tax column approximates tax receipts in the indicated fiscal year.
Does not include sales tax from materials used in construction.

Fiscal Year Ended	Retail				Retail				Retail				Retail				City of Dallas				DART			
	2023		2024		2028		2032		2036		2040		2044		Sales Tax from Net New Sales @ 1%		Cumulative Sales Tax Net Present Value (2014 dollars) Annual Discount Rate @ 4%		Sales Tax from Net New Sales @ 1%		Cumulative Sales Tax Net Present Value (2014 dollars) Annual Discount Rate @ 4%			
	40,000	45,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$6,641,319	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,413	\$48,527	\$66,413	\$48,527	\$66,413	\$66,413	\$66,413	\$66,413	\$66,413	\$66,413
2022	\$6,840,558	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,406	\$96,588	\$68,406	\$96,588	\$68,406	\$68,406	\$68,406	\$68,406	\$68,406	\$68,406
2023	\$7,045,775	\$4,687,183	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$117,430	\$175,920	\$117,430	\$175,920	\$117,430	\$117,430	\$117,430	\$117,430	\$117,430	\$117,430
2024	\$7,257,148	\$4,838,089	\$16,328,594	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$284,238	\$360,555	\$284,238	\$360,555	\$284,238	\$284,238	\$284,238	\$284,238	\$284,238	\$284,238
2025	\$7,474,863	\$4,983,242	\$16,818,442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$292,765	\$374,416	\$292,765	\$374,416	\$292,765	\$292,765	\$292,765	\$292,765	\$292,765	\$292,765
2026	\$7,699,109	\$5,132,739	\$17,322,995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$301,548	\$390,518	\$301,548	\$390,518	\$301,548	\$301,548	\$301,548	\$301,548	\$301,548	\$301,548
2027	\$7,930,082	\$5,285,721	\$17,842,685	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,595	\$403,879	\$310,595	\$403,879	\$310,595	\$310,595	\$310,595	\$310,595	\$310,595	\$310,595
2028	\$8,167,985	\$5,445,323	\$18,377,965	\$8,167,985	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$401,593	\$512,869	\$401,593	\$512,869	\$401,593	\$401,593	\$401,593	\$401,593	\$401,593	\$401,593
2029	\$8,413,024	\$5,608,683	\$18,929,304	\$8,413,024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$413,640	\$534,715	\$413,640	\$534,715	\$413,640	\$413,640	\$413,640	\$413,640	\$413,640	\$413,640
2030	\$8,665,415	\$5,776,943	\$19,497,183	\$8,665,415	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426,050	\$550,050	\$426,050	\$550,050	\$426,050	\$426,050	\$426,050	\$426,050	\$426,050	\$426,050
2031	\$8,925,377	\$5,950,251	\$20,082,099	\$8,925,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$438,831	\$574,831	\$438,831	\$574,831	\$438,831	\$438,831	\$438,831	\$438,831	\$438,831	\$438,831
2032	\$9,193,139	\$6,128,759	\$20,684,562	\$9,193,139	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$453,927	\$598,927	\$453,927	\$598,927	\$453,927	\$453,927	\$453,927	\$453,927	\$453,927	\$453,927
2033	\$9,468,933	\$6,312,622	\$21,305,099	\$9,468,933	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$469,245	\$624,245	\$469,245	\$624,245	\$469,245	\$469,245	\$469,245	\$469,245	\$469,245	\$469,245
2034	\$9,753,001	\$6,502,000	\$21,944,252	\$9,753,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$484,963	\$649,963	\$484,963	\$649,963	\$484,963	\$484,963	\$484,963	\$484,963	\$484,963	\$484,963
2035	\$10,045,591	\$6,697,060	\$22,602,579	\$10,045,591	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$499,364	\$674,364	\$499,364	\$674,364	\$499,364	\$499,364	\$499,364	\$499,364	\$499,364	\$499,364
2036	\$10,346,958	\$6,897,972	\$23,280,656	\$10,346,958	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$513,351	\$707,351	\$513,351	\$707,351	\$513,351	\$513,351	\$513,351	\$513,351	\$513,351	\$513,351
2037	\$10,657,367	\$7,104,911	\$23,979,076	\$10,657,367	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$527,053	\$739,053	\$527,053	\$739,053	\$527,053	\$527,053	\$527,053	\$527,053	\$527,053	\$527,053
2038	\$10,977,088	\$7,318,059	\$24,698,448	\$10,977,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$540,583	\$770,583	\$540,583	\$770,583	\$540,583	\$540,583	\$540,583	\$540,583	\$540,583	\$540,583
2039	\$11,306,401	\$7,537,601	\$25,439,402	\$11,306,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$553,953	\$801,953	\$553,953	\$801,953	\$553,953	\$553,953	\$553,953	\$553,953	\$553,953	\$553,953
2040	\$11,645,593	\$7,763,729	\$26,202,594	\$11,645,593	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$567,264	\$832,264	\$567,264	\$832,264	\$567,264	\$567,264	\$567,264	\$567,264	\$567,264	\$567,264
2041	\$11,994,961	\$7,996,640	\$26,998,661	\$11,994,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$580,518	\$862,518	\$580,518	\$862,518	\$580,518	\$580,518	\$580,518	\$580,518	\$580,518	\$580,518
2042	\$12,354,809	\$8,235,540	\$27,798,321	\$12,354,809	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,715	\$892,715	\$593,715	\$892,715	\$593,715	\$593,715	\$593,715	\$593,715	\$593,715	\$593,715
2043	\$12,725,454	\$8,483,636	\$28,632,271	\$12,725,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$606,869	\$922,869	\$606,869	\$922,869	\$606,869	\$606,869	\$606,869	\$606,869	\$606,869	\$606,869
2044	\$13,107,217	\$8,738,145	\$29,491,239	\$13,107,217	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$620,000	\$952,000	\$620,000	\$952,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000	\$620,000
Total															\$13,219,478	\$175,920	\$13,219,478	\$175,920	\$13,219,478	\$13,219,478	\$13,219,478	\$13,219,478	\$13,219,478	\$13,219,478

Exhibit B

Appendix D-1 Annual Projection of Hotel Occupancy Tax and Business Personal Property Tax to the City of Dallas from the Montfort- IH 635 Sub-District

Notes:

Date of City receipt of Hotel Occupancy Tax may lag date of earning by 3-4 months.
 BPP Tax receipts generally occur 12-13 months after appraisal. Appraisals are for Jan. 1 of the year indicated.
 Commercial development includes retail, office, and hotel projects.
 City tax rate: 0.7970%
 City tax rate is assumed constant. Actual rates will be set annually.
 Inflation rate: 3%

Year	City Hotel Occupancy Tax				City BPP Tax		Total Estimated City Hotel and BPP Tax	Cumulative Estimated City Hotel and BPP Tax Net Present Value (2014 dollars) Annual Discount Rate @ 4%
	Guest Rooms	Occupancy = 60%	Estimated City Hotel Occupancy Tax @ 9.00%	Annual Room Receipts If 2014 ADR = \$225	Estimated Cumulative Square Feet New Commercial Development	Estimated City BPP Tax @ \$20 per SF Commercial		
Base 2014	0	\$0	\$0	\$0	0	\$0	\$0	\$0
1 2015	0	\$0	\$0	\$0	0	\$0	\$0	\$0
2 2016	0	\$0	\$0	\$0	0	\$0	\$0	\$0
3 2017	0	\$0	\$0	\$0	133,350	\$23,227	\$23,227	\$19,855
4 2018	0	\$0	\$0	\$0	375,350	\$67,340	\$67,340	\$75,203
5 2019	0	\$0	\$0	\$0	375,350	\$69,360	\$69,360	\$130,020
6 2020	0	\$0	\$0	\$0	375,350	\$71,441	\$71,441	\$184,309
7 2021	273	\$16,544,355	\$1,488,992	\$1,488,992	797,604	\$156,364	\$1,645,356	\$1,386,554
8 2022	273	\$17,040,686	\$1,533,662	\$1,533,662	847,604	\$171,151	\$1,704,813	\$2,584,333
9 2023	273	\$17,551,907	\$1,579,672	\$1,579,672	1,197,604	\$249,079	\$1,828,750	\$3,819,771
10 2024	273	\$18,078,464	\$1,627,062	\$1,627,062	1,197,604	\$256,551	\$1,883,613	\$5,043,330
11 2025	273	\$18,620,818	\$1,675,874	\$1,675,874	1,197,604	\$264,248	\$1,940,121	\$6,255,124
12 2026	273	\$19,179,442	\$1,726,150	\$1,726,150	1,197,604	\$272,175	\$1,998,325	\$7,455,266
13 2027	273	\$19,754,826	\$1,777,934	\$1,777,934	1,647,604	\$385,678	\$2,163,612	\$8,704,699
14 2028	273	\$20,347,470	\$1,831,272	\$1,831,272	1,662,604	\$400,865	\$2,232,137	\$9,944,125
15 2029	273	\$20,957,895	\$1,886,211	\$1,886,211	2,570,604	\$638,384	\$2,524,594	\$11,292,027
16 2030	957	\$75,671,818	\$6,810,464	\$6,810,464	3,563,724	\$911,566	\$7,722,029	\$15,256,310
17 2031	957	\$77,941,972	\$7,014,777	\$7,014,777	3,563,724	\$938,913	\$7,953,690	\$19,182,475
18 2032	957	\$80,280,231	\$7,225,221	\$7,225,221	4,116,390	\$1,117,056	\$8,342,277	\$23,142,074
19 2033	957	\$82,688,638	\$7,441,977	\$7,441,977	4,116,390	\$1,150,567	\$8,592,545	\$27,063,599
20 2034	957	\$85,169,297	\$7,665,237	\$7,665,237	4,669,056	\$1,344,194	\$9,009,431	\$31,017,240
21 2035	957	\$87,724,376	\$7,895,194	\$7,895,194	4,669,056	\$1,384,520	\$9,279,714	\$34,932,865
22 2036	957	\$90,356,108	\$8,132,050	\$8,132,050	4,669,056	\$1,426,055	\$9,558,105	\$38,810,840
23 2037	957	\$93,066,791	\$8,376,011	\$8,376,011	4,669,056	\$1,468,837	\$9,844,848	\$42,651,526
24 2038	957	\$95,858,795	\$8,627,292	\$8,627,292	5,257,222	\$1,703,484	\$10,330,775	\$46,526,774
25 2039	957	\$98,734,558	\$8,886,110	\$8,886,110	5,292,722	\$1,766,436	\$10,652,547	\$50,369,033
26 2040	957	\$101,696,595	\$9,152,694	\$9,152,694	5,807,246	\$1,996,303	\$11,148,996	\$54,235,689
27 2041	957	\$104,747,493	\$9,427,274	\$9,427,274	5,842,746	\$2,068,761	\$11,496,036	\$58,069,358
28 2042	957	\$107,889,918	\$9,710,093	\$9,710,093	5,842,746	\$2,130,824	\$11,840,917	\$61,866,165
29 2043	957	\$111,126,615	\$10,001,395	\$10,001,395	5,842,746	\$2,194,749	\$12,196,144	\$65,626,464
30 2044	957	\$114,460,414	\$10,301,437	\$10,301,437	5,842,746	\$2,260,591	\$12,562,029	\$69,350,606
Total		\$1,575,489,484	\$141,794,054			\$26,888,719	\$168,682,772	

Exhibit B

Appendix D-2 Annual Projection of Hotel Occupancy Tax and Business Personal Property Tax to the City of Dallas from the Westmoreland-IH 20 Sub-District

Notes:

Date of City receipt of Hotel Occupancy Tax may lag date of earning by 3-4 months.
 BPP Tax receipts generally occur 12-13 months after appraisal. Appraisals are for Jan. 1 of the year indicated.
 Commercial development includes retail, office, and hotel projects.
 City tax rate: 0.7970%
 City tax rate is assumed constant. Actual rates will be set annually.
 Inflation rate: 3%

Year	City Hotel Occupancy Tax			City BPP Tax		Total Estimated City Hotel and BPP Tax	Cumulative Estimated City Hotel and BPP Tax Net Present Value (2014 dollars) Annual Discount Rate @ 4%
	Guest Rooms	Occupancy = 60%	Estimated City Hotel Occupancy Tax @ 7.00%	Estimated Cumulative Square Feet New Commercial Development	Estimated City BPP Tax @ \$20 per SF Commercial		
Base 2014	0	\$0	\$0	0	\$0	\$0	\$0
1 2015	0	\$0	\$0	0	\$0	\$0	\$0
2 2016	0	\$0	\$0	0	\$0	\$0	\$0
3 2017	0	\$0	\$0	0	\$0	\$0	\$0
4 2018	0	\$0	\$0	0	\$0	\$0	\$0
5 2019	0	\$0	\$0	0	\$0	\$0	\$0
6 2020	0	\$0	\$0	0	\$0	\$0	\$0
7 2021	0	\$0	\$0	30,000	\$5,881	\$5,881	\$4,297
8 2022	0	\$0	\$0	30,000	\$6,058	\$6,058	\$8,553
9 2023	0	\$0	\$0	70,000	\$14,559	\$14,559	\$18,389
10 2024	0	\$0	\$0	115,000	\$24,635	\$24,635	\$34,391
11 2025	0	\$0	\$0	115,000	\$25,374	\$25,374	\$50,240
12 2026	0	\$0	\$0	115,000	\$26,136	\$26,136	\$65,937
13 2027	80	\$2,058,297	\$144,081	164,600	\$38,530	\$182,611	\$171,390
14 2028	80	\$2,120,046	\$148,403	184,600	\$44,508	\$192,912	\$278,507
15 2029	80	\$2,183,647	\$152,855	184,600	\$45,844	\$198,699	\$384,594
16 2030	80	\$2,249,157	\$157,441	204,600	\$52,335	\$209,776	\$492,287
17 2031	80	\$2,316,631	\$162,164	204,600	\$53,905	\$216,069	\$598,945
18 2032	80	\$2,386,130	\$167,029	224,600	\$60,949	\$227,978	\$707,153
19 2033	80	\$2,457,714	\$172,040	224,600	\$62,778	\$234,818	\$814,321
20 2034	80	\$2,531,446	\$177,201	224,600	\$64,661	\$241,862	\$920,458
21 2035	80	\$2,607,389	\$182,517	224,600	\$66,601	\$249,118	\$1,025,574
22 2036	80	\$2,685,611	\$187,993	264,600	\$80,816	\$268,809	\$1,134,637
23 2037	80	\$2,766,179	\$193,633	264,600	\$83,240	\$276,873	\$1,242,651
24 2038	80	\$2,849,164	\$199,441	264,600	\$85,738	\$285,179	\$1,349,627
25 2039	80	\$2,934,639	\$205,425	264,600	\$88,310	\$293,735	\$1,455,574
26 2040	80	\$3,022,678	\$211,587	284,600	\$97,834	\$309,422	\$1,562,886
27 2041	80	\$3,113,359	\$217,935	284,600	\$100,769	\$318,704	\$1,669,167
28 2042	80	\$3,206,759	\$224,473	304,600	\$111,086	\$335,559	\$1,776,765
29 2043	80	\$3,302,962	\$231,207	304,600	\$114,419	\$345,626	\$1,883,328
30 2044	80	\$3,402,051	\$238,144	304,600	\$117,851	\$355,995	\$1,988,866
Total		\$48,193,859	\$3,373,570		\$1,472,817	\$4,846,387	

Appendix E-1
Annual Projection of Real Property Tax and Business Personal Property Tax to the Dallas Independent School District from the Montfort-IH 635 Sub-District

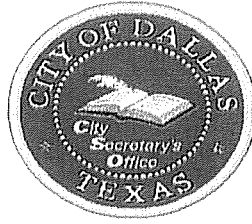
Notes:
Base value of the TIF fund is from 2013 certified DCAD roll. Estimated values of redevelopment added annually to the TIF fund, in 2014 dollars, are from another schedule.
Annual inflation or value change rates are long-term average estimates. Actual value adjustments may vary significantly from year to year.
DSD tax rate is assumed constant. Actual rates will be set annually.
DSD tax rate: 1.282085%

Table with columns (a) through (n) containing financial data for years 2015-2044. Columns include: (a) TIF Zone Value for Year, (b) Property Tax Deposited, (c) Taxable Value of Improvements, (d) Taxable Value Added, (e) Less Share of 2014 Value, (f) Total DSD Real Property Value, (g) Captured Appraised Value, (h) DSD Tax Increment, (i) Estimated Cumulative Square Feet, (j) Estimated DSD BPP, (k) Estimated DSD from TIF Zone, (l) Estimated DSD from TIF Zone, (m) Estimated DSD from TIF Zone, (n) Cumulative Estimated Tax Retained.

Appendix E-2
Annual Projection of Real Property Tax and Business Personal Property Tax to the Dallas Independent School District from the Westmoreland-IH 20 Sub-District

Notes:
Base value of the TIF fund is from 2013 certified DCAD roll. Estimated values of redevelopment added annually to the TIF fund, in 2014 dollars, are from another schedule.
Annual inflation or value change rates, are long-term average estimates. Actual value adjustments may vary significantly from year to year.
DISD tax rate: 1.28220855%
DISD tax rate is assumed constant. Actual rates will be set annually.

Table with columns (a) through (o) containing financial data for years 2014-2045. Columns include: (a) TIF Appraised Value, (b) Property Tax Deposited, (c) Taxable Value, (d) Taxable Value of Improvements, (e) Taxable Value Added, (f) Less Share of 2014 Value, (g) Taxable Appraised Value, (h) Total DISD Tax, (i) Captured Appraised Value, (j) Real Property Tax Increment, (k) Estimated Cumulative Square Feet, (l) Estimated DISD BPP Tax, (m) Estimated Total Tax, (n) Estimated Total Tax Retained, (o) Cumulative Estimated Tax Retained.



PROOF OF PUBLICATION – LEGAL ADVERTISING

The legal advertisement required for the noted ordinance was published in the Dallas Morning News, the official newspaper of the city, as required by law, and the Dallas City Charter, Chapter XVIII, Section 7.

DATE ADOPTED BY CITY COUNCIL MAY 14 2014

ORDINANCE NUMBER 29340

DATE PUBLISHED MAY 17 2014

ATTESTED BY:

A handwritten signature in cursive script, appearing to read "Rose G. Linn".