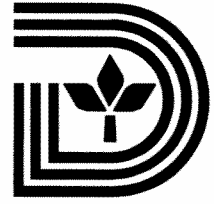


# Memorandum



CITY OF DALLAS

DATE May 14, 2010

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Jerry R. Allen,  
Dwaine Caraway, Sheffie Kadane, Ann Margolin, Linda Koop, and  
Steve Salazar

SUBJECT Joule Hotel Expansion project – Downtown Connection TIF District

Attached is the briefing material on the Joule Hotel Expansion project –  
Downtown Connection TIF District to be presented to the Economic  
Development Committee on Monday, May 17, 2010.

Please contact me if you need additional information.



A.C. Gonzalez  
Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Thomas Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director of Office of Economic Development  
Hammond Perot, Assistant Director, Office of Economic Development  
Helena Stevens-Thompson, Assistant to the City Manager

# Joule Hotel Expansion project – Downtown Connection TIF District

Economic Development Committee  
May 17, 2010



Office of Economic Development  
[WWW.DALLAS-ECODEV.ORG](http://WWW.DALLAS-ECODEV.ORG)

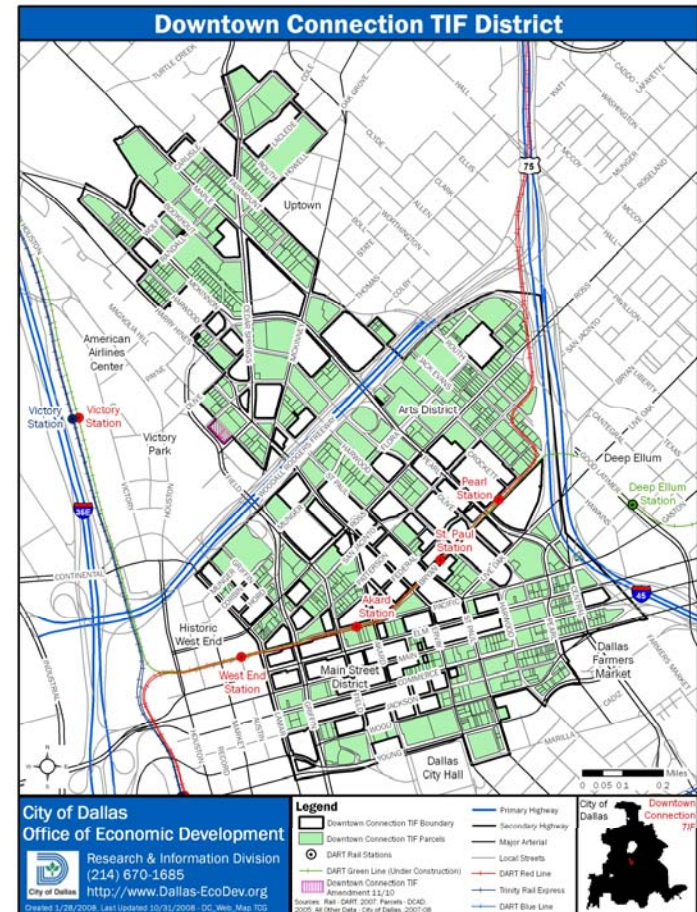


# Purpose

- To provide an update on Downtown Connection TIF (DCTIF) activity
- To present the Joule Hotel Expansion project
- To obtain Economic Development Committee approval for execution of a development agreement, on behalf of the DCTIF, with TIF Hotel, Inc. in an amount not to exceed \$20,658,550 for City Council consideration on May 26, 2010.

# DCTIF District Overview: Background

- The Downtown Connection TIF District was created on June 8, 2005.
- The DCTIF District is located in the core of Downtown Dallas and portions of Uptown.
- The DCTIF District is a mixed-use area, primarily composed of existing office or vacant office structures, surface parking lots, and undeveloped property.



# DCTIF District Overview: Current Status of District Development Goals

- **Improve access between and within the Uptown and Downtown areas**  
Construction has commenced on the Woodall Rogers Deck Park. Work began on the Downtown Area Plan which will coordinate all of the on-going planning documents that affect the downtown area and the surrounding neighborhoods.
- **Improve the image of the Downtown Connection Area**  
Installation of high-tech digital sign boards within downtown. Passage of a newsrack ordinance requiring all newsracks to be uniform in size and color, requires them to hold multiple publications and limits the number of locations they may be installed.
- **Support redevelopment of the existing building supply**  
Thirteen on-going and/or announced projects, including five adaptive re-uses of existing buildings that will add 574 residential units, 170 hotel rooms, 23,000 square feet of retail and 320,000 square feet of office space. (See Appendix D.)

# DCTIF District Overview: Current Status of District Development Goals (cont'd)

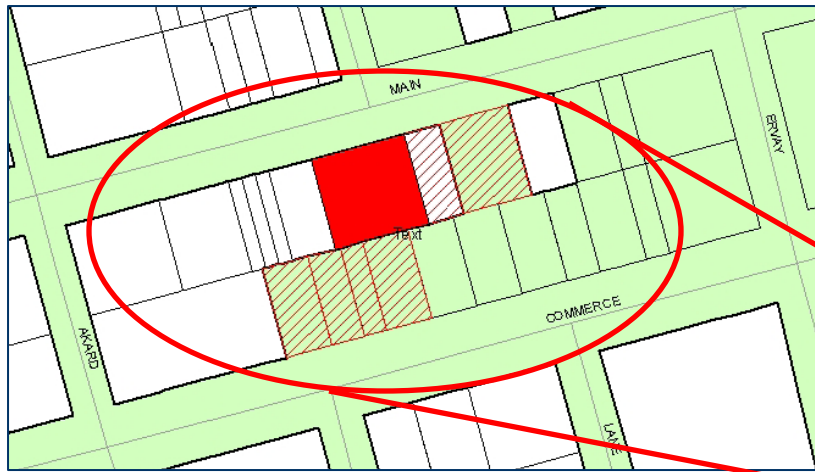
- **Develop a more diverse mixture of land uses within the District**  
3,317 residential units; 553 hotel rooms; 399,000 square feet of retail; and 2,875,000 square feet of new Class "A" office space have been announced, completed and/or under construction within the district.
- **Increase open space and recreational opportunities in the District**  
Main Street Gardens Park opened in December 2009. Construction of the Woodall Rodgers Deck Park is underway. Final land acquisition for Belo Garden Park has been completed, while planning continues on Pacific Garden Park.
- **Incentivize catalyst project(s) to accelerate reaching a critical mass of residential units, retail establishments, and public amenities for a vibrant downtown**  
The entire Mercantile Block has been completed. Incentives have been approved by the City Council for Atmos and Continental projects, which will add additional residential units, including affordable units, and increase the amount of space available for retail.

# DCTIF District Overview: Budget Status

## Downtown Connection TIF District Budget

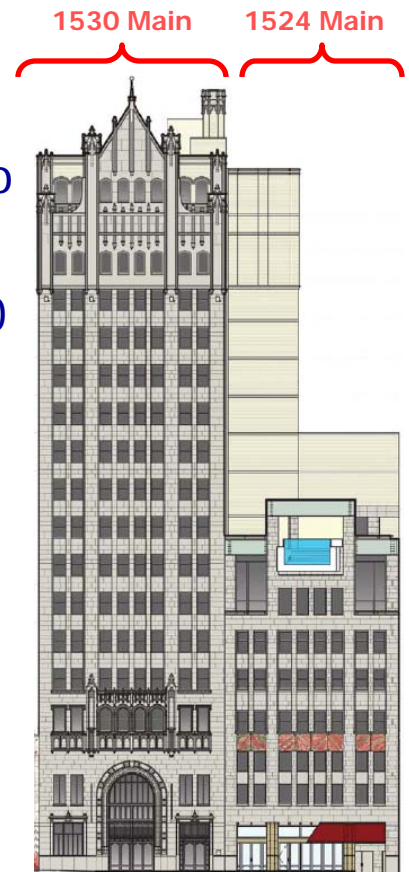
	Projected Budget in Actual Anticipated Dollars
Initial total Budget	<b>\$432,320,443</b>
TIF Bond Interest	(\$150,363,000)
Park and Plaza Design and Acquisition	(\$1,500,000)
Retail Initiative/ Streetscape Improvements	(\$1,985,000)
Downtown Area Plan	(\$515,000)
Affordable Housing	(\$3,000,000)
Administration and Implementation	(\$6,750,000)
Catalyst Projects/ Redevelopment of Vacant-Underutilized Buildings	<b>\$268,207,443</b>
Mercantile Block	(\$58,000,000)
Stoneleigh	(\$2,500,000)
Santa Fe IV	(\$4,296,264)
Atmos Complex	(\$23,000,000)
Arts District Garage	(\$9,000,000)
Continental Building	<u>(\$22,525,288)</u>
Remaining for Redevelopment Projects After Existing Commitments	<u>\$148,885,891</u>
<b>-- Joule Hotel Expansion</b>	<b>(\$20,658,550)</b>
Total Funds Remaining	\$128,227,341

# Joule Hotel Expansion: Location Map



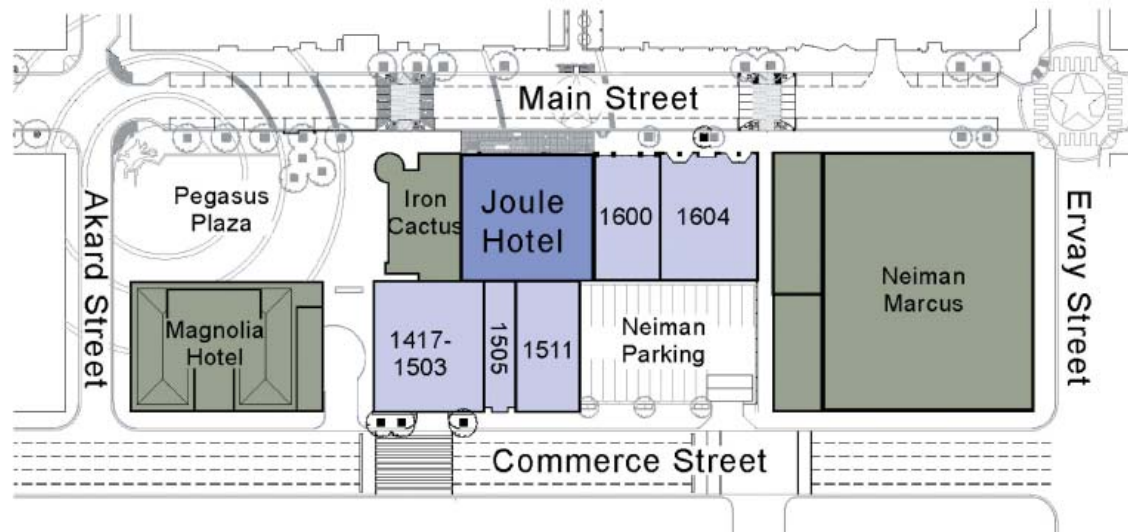
# Joule Hotel: Existing Project

- The current Joule Hotel consists of two buildings, 1524 and 1530 Main Street.
- The development of this hotel was directly related to City Council approved funding of the project from the City Center TIF District Fund for the redevelopment of 1524 Main (\$4,200,000) and 1530 Main (\$4,300,000).
- The project also received a historic tax credit (\$5,901,635).
- The Joule Hotel was completed in December, 2007 and opened in May, 2008. The five star hotel includes: 114 luxury rooms, Charlie Palmer Restaurant, PM Nightlife Lounge and Next Vintage Wine Shop (a retail wine store).



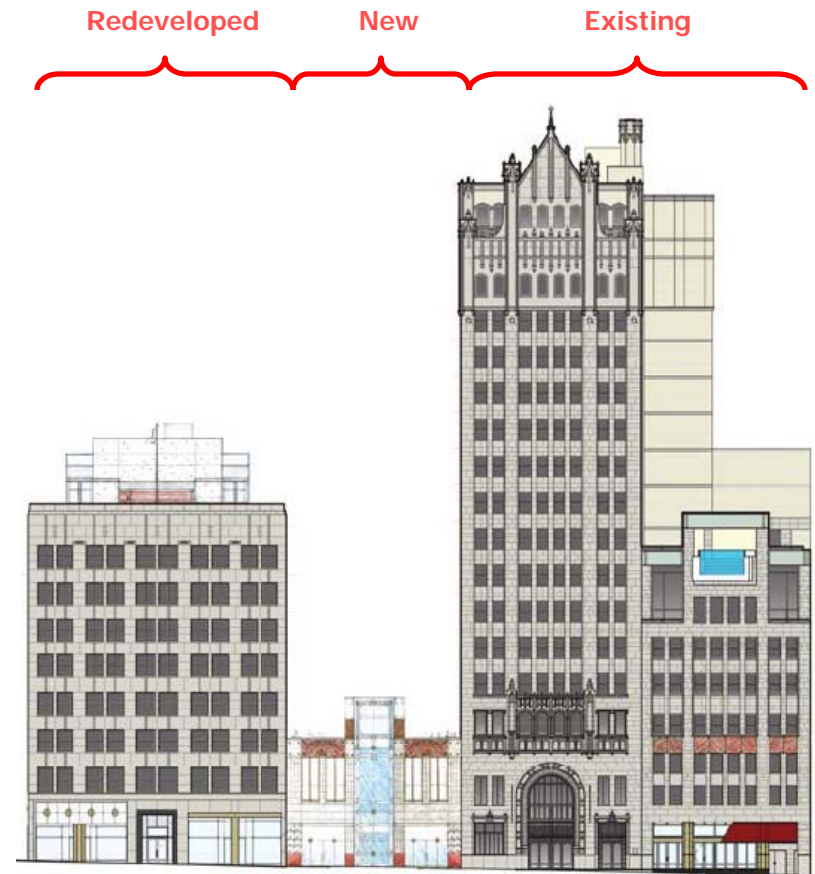
# Joule Hotel Expansion: Project Details

- The developer/owner is proposing to expand the Joule Hotel in order to add needed space for additional rooms, ballrooms, and retail.
- The expansion will encompass several recently acquired vacant buildings along Main and Commerce Streets, which are located in the Downtown Connection TIF District.



# Joule Hotel Expansion: Project Details

- 32 new hotel rooms including eight suites and two penthouses.
- 11,000 square feet of Banquet, Catering and Meeting space.
- 20,700 square feet of retail space.



Main Street Elevation



# Joule Hotel Expansion: Development Team

- **DEVELOPER:** TIF Hotel, Inc.
- **OWNERS REP:** Tim Headington, President and Michael Tregoning, CFO.
- **ARCHITECT:** Architexas, Inc.
- **CONSTRUCTION MANAGEMENT:** Juno Construction Management
- **GENERAL CONTRACTOR:** TBD

\* Each of the above named parties were involved in the development and completion of the original Joule Hotel.

# Proposed DCTIF Assistance: TIF Board Approval

On May 7, 2010, the Downtown Connection TIF District Board of Directors reviewed and approved TIF funding for TIF Hotel, Inc. for the Joule Hotel expansion project in an amount not to exceed \$16,712,215 plus a TIF Grant in an amount not to exceed \$3,946,335\*, for a total incentive amount not to exceed \$20,658,550.

\*Note: TIF grant shall be reduced by \$500,000 if the project does not include a retail "jewelry" box along the frontage of 1417-19 and 1503 Main Street.

# DCTIF Assistance: Conditions for Funding

As a condition for funding, TIF Hotel, Inc. will be required to:

- Provide an additional 32 hotel rooms (or a minimum of 27,000 square feet (net) of room space), 12,500 square feet (net) of ground floor retail space, 4,500 square feet (net) for an open-area event deck, and 10 on-site parking spaces and 2 on-site spaces for loading/unloading of non-guest operations.
- Provide evidence of a minimum private investment of \$76,500,000 in private improvements for the Joule Hotel Expansion project, including land acquisition costs (\$16,900,000) and building construction and soft costs (\$59,600,000).

# DCTIF Assistance: Conditions for Funding (cont'd)

TIF Hotel, Inc. will adhere to the following deadline dates:

- Obtain approval by the Downtown Connection TIF District Design Review Committee of the final conceptual design prior to start of construction.
- Provide evidence of receipt of a building permit by December 1, 2010.
- Obtain Landmark Commission review by February 28, 2011.
- Provide evidence of receipt of a final certificate of occupancy for entire project by December 1, 2013.

# Strategic Importance of Proposed Project

- Completes Main Street Redevelopment and ties together more than \$259 Million in public and private investment from Mercantile to Magnolia Hotel.
- Redevelops existing buildings, protects existing historic structures, increases street-front retail, expands business and commercial activity and creates jobs.
- Removes over 80,000 square feet of vacant office space and adds 34,000 square feet of occupied commercial space along Main and Commerce Streets.

# Recommended Next Steps

- Economic Development Committee approval of the execution of a development agreement, on behalf of the DCTIF, with TIF Hotel, Inc. in an amount not to exceed \$20,658,550 for City Council consideration on May 26, 2010.

# Appendix A – Proforma Information - Project Requirements/Other Information

Minimum # of new hotel guest rooms/ guest room space required	32 rooms or 27,000 s.f.
Retail – net square footage required	12,500
Parking stalls	10 on-site
Required private investment – site acquisition, hard and soft costs	\$76,500,000
Expected total project cost	\$85,814,000
TIF Funding	\$20,658,000
Base TIF funding	\$16,712,215
TIF grant	\$ 3,946,335
% TIF funds to total project cost	24.07%
Return on Investment without TIF	4.77%
Return on Investment with TIF	6.56%
Deadline for Landmark Commission courtesy review	February 28, 2011
Deadline to obtain building permit	December 1, 2010
Deadline to obtain Final CO	December 1, 2013

# Appendix B – Joule Hotel Expansion project: Project Budget

Joule Hotel Expansion Project Budget		
Land Acquisition		\$ 16,908,000
Hard Costs		
- Construction	\$ 47,065,000	
- Permits/Licenses/Fees	\$ 200,000	
- Construction Management	\$ 3,500,000	
- Contingency	<u>\$ 3,200,000</u>	
Total Hard Costs		\$ 53,965,000
Soft Costs		
- Design Consultants	\$ 4,230,000	
- F&E/OS&E/Technology	\$ 8,814,000	
- Pre-opening/ Marketing	\$ 661,000	
- Legal Fees/Taxes	\$ 350,000	
- Soft Cost Contingency	<u>\$ 886,000</u>	
Total Soft Costs		<u>\$ 14,941,000</u>
<b>TOTAL PROJECT BUDGET</b>		<b>\$ 85,814,000</b>

# Appendix C – Joule Hotel Expansion project: Sources and Uses of Funds

<u>SOURCES</u>		<u>USES</u>	
\$10,180,000	Historic Tax Credit	\$53,965,000	Hard Costs
\$20,658,550	TIF Funding	\$14,941,000	Soft Costs
<u>\$54,975,450</u>	Equity	<u>\$16,908,000</u>	Acquisition
\$85,814,000	Total Sources	\$85,814,000	Total Uses

# Appendix D – DCTIF District Projects

Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value
Stoneleigh Hotel	2927 Maple	2008	Completed	17 additional hotel rooms	\$23,800,000
Mercantile Block	Main and Commerce Streets	2008	Completed	366 res. units; 40,000 sf retail	\$135,000,000
Santa Fe Lofts IV	1033 Young Street	2009	Completed	170 hotel rooms; 4,000 sf retail	\$21,600,000
Dallas Arts District Garage	2301 Ross Avenue	2010	Completed	garage renovations/ updates	\$2,000,000
Hall Arts Center Continental Building	2301 Ross Avenue	2015	Approved	430,000 sf office, 30,000 sf retail	\$120,000,000
Atmos Complex	1810 Commerce Street	2011	Approved	5,000 sf retail	\$46,000,000
Ashton	Harwood and Wood Streets	2013	Approved	225 res. units; 10,000 sf retail	\$50,241,603
Trianon (Zom/ Rosewood)	2215 Cedar Springs Road	2006	Completed	267 res. units	\$104,000,000
Uptown Plaza Shopping I	2820 McKinnon Street	2006	Completed	335 res. units	\$25,321,500
Hunt Consolidated	2212 McKinney Avenue	2006	Completed	84,000 sf retail	\$12,600,000
Ritz-Carlton Hotel	1900 Akard Street	2007	Completed	400,000 sf office	\$108,000,000
Third Rail Lofts (1414 Elm portion)	2510 Cedar Springs	2007	Completed	70 res. units, 216 hotel rooms	\$86,950,000
	1414 Elm Street	2007	Completed	14 res. units; 3,500 sf retail	\$4,100,000



# Appendix D – DCTIF District Projects (cont'd)

Project	Location	Calendar Year Complete	Status	Units/ SF	Approx. Value
Azure	2919 Pearl Street	2008	Completed	202 res. units	\$55,100,000
1900 McKinney (Hanover)	1900 McKinney Avenue	2008	Completed	230 res. units	\$60,000,000
Rosewood Court	2101 Cedar Springs Road	2009	Completed	400,000 sf office, 12,000 sf retail	\$150,000,000
Alta Rosewood	2806 McKinnon Street	2008	Completed	375 res. units	\$72,000,000
AML/ Quadrangle	2717 Howell Street	2008	Completed	220 res. units	\$40,000,000
Lincoln/ Corrigan Ritz-Carlton Residences II	2000 McKinney Avenue	2009	Completed	445,000 sf office, 15 res. units, 6,500 sf retail	\$120,000,000
St. Ann's Court	2515 Harwood Street	2010	Under Construction	96 res. units	\$113,050,000
Granite/Gables	Cedars Springs/ Akard/ Caroline	2010	Under Construction	320,000 sf office	\$100,000,000
CityWalk	511 N. Akard Street	2009	Under Construction	296 res. units, 330,000 s.f. office	\$200,000,000
The Arts Apartment by JPI	2611 Ross Avenue	2010	Under Construction	209 res. units	\$35,000,000
Akare Place (Phase I)	Cedars Springs/ Akard/ Field	2010	Under Construction	228 res. units	\$39,000,000
Akare Place (Phase I)	Cedars Springs/ Akard/ Field	2012	Announced	150,000 sf office, 80 res. units, 150-room hotel, 200,000 sf retail	
Akare Place Museum Tower	Cedars Springs/ Akard/ 800 Olive Street	2012	Announced	400,000 sf. office	\$100,000,000
		4th Quarter 2012	Announced	125 res. units	\$200,000,000



# Appendix E – DCTIF District Increment Projections

DOWNTOWN CONNECTION TIF DISTRICT CONTRIBUTION SCHEDULE (DEBT SERVICE AND SURPLUS) - 0% Appreciation																				
Update - 03.04.10 - BKH - 0% Appreciation																				
Tax Year	Year Funds Arrive	Property Value Total	Property Value Growth	Comp. Value Growth	Anticipated Captured Value	Anticipated Increment Revenue CITY	Anticipated Increment Revenue COUNTY	Anticipated Increment Revenue TOTAL	TOTAL TIF Fund 2006 NPV @ 5.00%	Less: Debt Service P&I	150.00% Debt Coverage	Increment greater than coverage?	Less: Private Placement Commitment	Less: City Administration	2nd Year Debt Reserve Fund	Pledged Rev Fund	Surplus	Tax Year	Year Funds Arrive	
County (2009+)																				
City (2009+)																				
Base 2005	2006	\$561,696,137																		
1	2006	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,295,085		\$1,527,223	\$1,454,498	\$0	\$0		\$0	\$0	\$1,527,223			2005	2006	
County		\$750,016,948					\$232,138											2006	2007	
2	2007	\$989,078,707	30.31%	76.09%	\$427,382,570	\$2,876,755		\$3,416,629	\$4,553,481	\$0	\$0		\$0	\$155,762	\$3,260,867			2007	2008	
County		\$988,341,787			\$426,645,650		\$539,874													
3	2008	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$6,420,935		\$7,717,514	\$11,220,160	\$0	\$0		\$0	\$145,586	\$5,211,910	\$2,360,018		2008	2009	
County		\$1,595,047,713			\$1,033,501,376		\$1,296,579												2009	2010
4	2009	\$1,513,193,908	-0.16%	169.40%	\$ 948,276,591	\$8,382,945		\$7,638,939	\$17,504,735	\$2,476,595	\$11,893,347	FALSE	\$0	\$122,087		\$5,040,258				
County		\$1,565,919,127			\$ 1,001,151,610		\$1,255,995													
5	2011	\$1,556,553,408	2.87%	177.12%	\$ 991,036,091	\$6,674,802		\$7,918,859	\$23,709,368	\$3,383,793	\$11,958,053	FALSE	\$0	\$225,000		\$4,310,068		2010	2011	
County		\$1,750,853,408	12.48%	211.71%	\$ 1,185,936,091	\$7,982,654		\$1,487,816	\$9,470,471	\$30,779,379	\$4,088,793	\$12,200,131	FALSE	\$47,500	\$225,000		\$5,099,178		2011	2012
6	2012	\$1,858,853,408	6.17%	230.94%	\$ 1,293,936,091	\$8,709,613		\$1,623,308	\$10,332,921	\$38,119,792	\$4,988,793	\$12,405,215	FALSE	\$8,000	\$225,000		\$5,111,128		2012	2013
7	2013	\$1,863,804,208	0.27%	231.82%	\$ 1,298,886,891	\$8,742,938		\$1,629,519	\$10,372,456	\$45,140,279	\$5,318,793	\$12,806,444	FALSE	\$8,000	\$225,000		\$4,820,683		2013	2014
8	2014	\$1,900,610,360	1.97%	238.37%	\$ 1,335,693,043	\$8,960,983		\$1,675,694	\$10,666,377	\$52,015,621	\$5,953,793	\$12,781,480	FALSE	\$8,000	\$225,000		\$4,479,584		2014	2015
9	2015	\$2,153,110,474	13.29%	283.32%	\$ 1,588,193,157	\$10,690,287		\$1,992,468	\$12,682,755	\$59,802,032	\$6,353,793	\$12,944,019	FALSE	\$8,000	\$225,000		\$6,095,962		2015	2016
10	2016	\$2,345,921,578	8.96%	317.65%	\$ 1,781,004,261	\$11,988,118		\$2,234,359	\$14,222,477	\$68,117,620	\$6,563,793	\$13,070,089	TRUE	\$8,000	\$225,000	(\$37,316,856)	\$44,742,539		2016	2017
12	2017	\$2,381,110,402	1.50%	323.91%	\$ 1,816,193,085	\$12,224,977		\$2,278,505	\$14,503,482	\$76,193,701	\$6,773,793	\$13,270,778	TRUE	\$8,000	\$225,000		\$7,496,689		2017	2018
13	2018	\$2,463,787,576	3.47%	338.03%	\$ 1,898,870,259	\$12,811,486		\$2,382,228	\$15,163,713	\$84,235,342	\$7,168,793	\$13,418,871	TRUE	\$8,000	\$225,000		\$7,761,920		2018	2019
14	2019	\$2,528,298,519	2.62%	350.12%	\$ 1,963,381,202	\$13,215,715		\$2,463,160	\$15,678,875	\$92,154,239	\$7,498,793	\$13,554,539	TRUE	\$8,000	\$225,000		\$7,947,082		2019	2020
15	2020	\$2,624,838,267	3.81%	367.27%	\$ 2,059,720,950	\$13,894,188		\$2,584,023	\$16,448,211	\$100,066,110	\$7,808,793	\$13,677,298	TRUE	\$8,000	\$225,000		\$8,406,418		2020	2021
16	2021	\$2,691,022,632	2.53%	379.09%	\$ 2,126,105,315	\$14,311,027		\$2,667,305	\$16,978,333	\$107,844,080	\$8,156,940	\$13,760,287	TRUE	\$8,000	\$225,000		\$8,588,393		2021	2022
17	2022	\$2,744,843,085	2.00%	388.67%	\$ 2,179,925,768	\$14,673,298		\$2,734,826	\$17,408,124	\$115,439,187	\$8,409,776	\$13,869,651	TRUE	\$8,000	\$225,000		\$8,765,349		2022	2023
18	2023	\$2,799,739,947	2.00%	398.44%	\$ 2,234,822,630	\$15,042,815		\$602,459	\$15,645,274	\$121,940,121	\$8,665,438	\$13,942,600	TRUE	\$8,000	\$225,000		\$8,748,836		2023	2024
19	2024	\$2,855,734,746	2.00%	408.41%	\$ 2,290,817,429	\$15,419,721		\$0	\$15,419,721	\$128,042,238	\$8,415,384	\$14,062,557	TRUE	\$8,000	\$225,000		\$6,771,338		2024	2025
20	2025	\$2,998,837,312	5.01%	433.89%	\$ 2,433,919,995	\$16,382,959		\$0	\$16,382,959	\$134,216,793	\$8,013,370	\$14,266,807	TRUE	\$8,000	\$225,000		\$8,136,589		2025	2026
21	2026	\$3,058,814,058	2.00%	444.57%	\$ 2,493,896,741	\$16,786,668		\$0	\$16,786,668	\$140,242,240	\$8,269,644	\$14,473,734	TRUE	\$8,000	\$225,000		\$8,284,024		2026	2027
22	2027	\$3,208,243,139	4.89%	471.17%	\$ 2,643,325,822	\$17,792,490		\$0	\$17,792,490	\$146,324,600	\$8,799,772	\$14,632,994	TRUE	\$8,000	\$225,000		\$8,759,718		2027	2028
23	2028	\$3,279,495,502	2.22%	483.86%	\$ 2,714,578,185	\$18,272,097		\$0	\$18,272,097	\$152,273,471	\$9,085,745	\$14,776,476	TRUE	\$8,000	\$225,000		\$8,953,352		2028	2029
24	2029	\$3,345,085,412	2.00%	495.53%	\$ 2,780,168,095	\$18,713,589		\$0	\$18,713,589	\$158,075,954	\$9,545,604	\$14,852,821	TRUE	\$8,000	\$225,000		\$8,934,985		2029	2030
25	2030	\$3,435,499,620	2.70%	511.63%	\$ 2,870,582,303	\$19,322,177		\$0	\$19,322,177	\$163,781,647	\$9,902,240	\$14,852,714	TRUE	\$8,000	\$225,000		\$9,186,937		2030	2031
26	2031	\$3,504,209,613	2.00%	523.86%	\$ 2,939,292,296	\$19,784,170		\$0	\$19,784,170	\$169,346,102	\$9,899,999	\$14,853,392	TRUE	\$8,000	\$225,000		\$9,651,672		2031	2032
27	2032	\$3,574,293,805	2.00%	536.34%	\$ 3,009,376,488	\$20,256,414		\$0	\$20,256,414	\$174,771,748	\$9,904,374	\$14,852,336	TRUE	\$8,000	\$225,000		\$10,119,404		2032	2033
28	2033	\$3,645,779,681	2.00%	549.07%	\$ 3,080,862,364	\$20,737,593		\$0	\$20,737,593	\$180,061,776	\$9,904,435	\$14,850,179	TRUE	\$8,000	\$225,000		\$10,600,158		2033	2034
29	2034	\$3,718,695,275	2.00%	562.05%	\$ 3,153,777,958	\$21,228,395		\$0	\$21,228,395	\$185,219,137	\$9,899,870	\$14,850,553	TRUE	\$8,000	\$225,000		\$11,095,525		2034	2035
30	2035	\$3,793,069,180	2.00%	575.29%	\$ 3,228,151,863	\$19,631,037		\$0	\$19,631,037	\$189,807,592	\$9,900,369	\$0	TRUE	\$8,000	\$225,000	\$0	\$9,697,699		2035	2036
TOTAL During TIF					\$401,396,132	\$171,307,592		\$30,924,311	\$432,320,443	\$189,807,592	\$205,161,274	\$356,534,663		\$239,500	\$6,273,435	\$10,000,000	\$0	\$210,646,234		
2006 NPV @ 5%			3.50%					\$18,500,000	\$18,500,000	\$189,807,592				\$123,710	\$3,179,870					

Some of the statements presented, notwithstanding using words such as "believe," "expect," "intend," "assume," "anticipate," "plan" and "will," and comparable terms, are forward-looking statements. Forward-looking statements are not statements of fact and reflect DCF's views and assumptions as of the date of this document regarding future events and operating performance. Because there is limited operating history, more statements are forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties. A cautionary note is included in these statements. We believe that these statements include but are not limited to the following:

- lack of any meaningful operating history;
- the possible need for additional capital;
- lack of any meaningful operating history;
- what results, changes in market conditions, the occurrence of catastrophic events and other factors outside our control;
- changes in general economic conditions, including inflation, interest rates and other factors.

This list of factors is not exhaustive.

If one or more of these or other risks or uncertainties materialize, or if underlying assumptions prove to be incorrect, actual results may vary materially from those presented. Any forward-looking statements you read in this document reflect current views with respect to future events and we subject to these and other risks, uncertainties and assumptions relating to, among other things, actual operations. All subsequent written and oral forward-looking statements attributable to the City are expressly qualified in their entirety by this paragraph. The City has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

City of Dallas is expected to participate in the Downtown Connection TIF District for a period of 30 years at a rate of 90%.

Dallas County is expected to participate in the Downtown Connection TIF District for a period of 20 years at a rate of 90%.

NOTE: The 2008 property value information is from preliminary DCAID tax rolls.

(1) The base year has been adjusted from \$55,000,000 to accommodate boundary actions and elections made prior to 2008 bonds sale and to accommodate account consolidation/multipliers.

(2) The base amount has been adjusted for 2009 to accommodate boundary parcels added in 2008.