

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2018 APR 12 AM 8:41

CITY SECRETARY
DALLAS, TEXAS

MONDAY, APRIL 16, 2018

CITY HALL

COUNCIL BRIEFING ROOM, 6ES

1500 MARILLA STREET

DALLAS, TEXAS 75201

2:00 P.M. – 3:30 P.M.

Chair, Councilmember Jennifer S. Gates

Vice-Chair, Councilmember Scott Griggs

Councilmember Sandy Greyson

Councilmember Lee M. Kleinman

Councilmember Philip T. Kingston

Councilmember Tennell Atkins

Councilmember Kevin Felder

Call to Order

1. Consideration of Minutes from the April 2, 2018 Government Performance & Financial Management Committee meeting
2. Consideration of Upcoming Agenda Items for April 25, 2018 City Council Meeting

BRIEFINGS

3. Communications Related to the
FY 2017 Audit

Dan Barron, Partner
Grant Thornton

Natalie Wood, Senior Manager
Grant Thornton

Juliet Williams, Experienced Manager
Grant Thornton

Aftab Hemani, Experienced Manager
Grant Thornton
4. FY 18 Appropriations Adjustments

Jack Ireland, Director
Office of Budget

FYI

5. Financial Forecast Report
Information as of February 2018
6. Rockwall Central Appraisal District
7. Oncor Application for Increased Electric Rates

A quorum of the City Council may attend this Council Committee meeting

Adjourn



Jennifer S. Gates, Chair
Government Performance & Financial Management Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex. Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

Meeting Date: April 2, 2018

Convened: 2:01 pm

Adjourned: 2:19 pm

Committee Members Present:

Jennifer S. Gates, Chair
Scott Griggs, Vice Chair
Kevin Felder

Philip Kingston
Tennell Atkins
Lee Kleinman

Committee Members Absent:

Sandy Greyson

Other Council Members Present:

Staff Present:

Elizabeth Reich
Akilah McLaughlin
Jack Ireland
Lance Sehorn
Corrine Steeger

Mike Frosch
Stephanie Cooper
Jenifer West
Craig Kinton
Zarin D. Gracey

Bill Finch
Barbara McAninch
Bill Finch
Errick Thompson
Robert Sims

Connie Tankersley
Carmen Esquivel
Adelia Gonzalez
Stephanie McHenry

Others Present:

AGENDA:

Call to Order

1. Consideration of the March 19, 2018 Minutes

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to approve the March 19, 2018 minutes. Motion passed unanimously.

Motion made by: Scott Griggs

Motion seconded by: Tennell Atkins

2. Consideration of Upcoming Agenda Items for April 11, 2018 City Council Meeting

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to move items forward to the City Council on April 11, 2018. Motion passed unanimously.

Motion made by: Tennell Atkins

Motion seconded by: Lee Kleinman

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

Briefings

3. Texas Water Development Board – Low Cost Financial Assistance Program

Presenter(s): Richard Wagner, PE, Assistant Director, *Dallas Water Utilities*

Information Only: X

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to move forward with approval to the City Council on April 11, 2018. Motion passed unanimously.

Motion made by: Phillip Kingston

Motion seconded by: Lee Kleinman

Adjourn

Jennifer S. Gates, Chair
Budget, Finance, & Audit Committee

AGENDA ITEM # 20

STRATEGIC PRIORITY:

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

N/A

DEPARTMENT:

Office of Budget

CMO:

Elizabeth Reich, 670-7804

MAPSCO:

N/A

SUBJECT

Approve the Rockwall Central Appraisal District's (RCAD) proposal to renovate and expand RCAD's current facility located at 841 Justin Road, Rockwall, Texas, pursuant to § 6.051 of the Texas Tax Code which requires such proposal be approved by three-fourths (3/4) of all taxing units entitled to vote on the appointment of RCAD board members which includes the City of Dallas - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future cost)

BACKGROUND

The Texas Property Tax Code requires appraisal districts obtain approval of 75 percent of their taxing units (school districts, county, and cities) to purchase, lease, or renovate a building to house the appraisal district office. Rockwall Central Appraisal District (CAD) has submitted a request to the City of Dallas as they plan an expansion and renovation project. The planned 12,000 square foot two-story addition, expanded parking lot, and updates to the current building will not exceed \$4,000,000.

The Rockwall (CAD) office at 841 Justin Road, Rockwall, Texas has been in use for 20 years. In that time, the population of Rockwall County has almost tripled and continues to grow at an increasing rate. While the building is structurally sound, it lacks the space and parking capacity to adequately serve employees and citizens.

The proposed project will greatly enlarge and enhance the comfort in the public areas. The parking area will triple and offer a one-way flow of traffic, accommodate all visitors, and make access to the building safer. The project will allow for the hiring of additional employees to more closely reach the recommended workload levels and provide the opportunity to better serve the citizens of Rockwall County.

Our share of the debt service cost is based on our percent of the 2017 levy within Rockwall County or 0.036 percent. The debt cost allocated to Dallas will be \$115 per year for 20 years. This will be an increase to our annual cost which was \$446 in FY 2016-17.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Government Performance and Financial Management Committee on April 16, 2018.

FISCAL INFORMATION

This action has no cost consideration to the City. The Rockwall Central Appraisal District plans to renovate and expand their facility for a cost not to exceed \$4,000,000 pending approval of three-fourths of their taxing units entitled to vote on the appointment of RCAD board members. The debt cost will be allocated to the taxing entities over 20 years. The City of Dallas allocation is expected to be \$115 per year for 20 years and will be paid from the General Fund (subject to annual appropriations).

AGENDA ITEM # 21**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

N/A

DEPARTMENT:

Office of Budget

CMO:

Elizabeth Reich, 670-7804

MAPSCO:

N/A

SUBJECT

Authorize a public hearing to be held on May 9, 2018 to receive comments on the FY 2018-19 Operating, Capital, and Grant & Trust Budgets - Financing: No cost consideration to the City

BACKGROUND

Each year the City of Dallas holds public hearings to provide the citizens of Dallas the opportunity to speak on the upcoming year's budget. This public hearing is one of three to be held at Dallas City Hall on March 28, 2018, May 9, 2018, and August 22, 2018. Citizen input is an important part of the budget development process.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

No cost consideration to the City.

AGENDA ITEM # 22

STRATEGIC PRIORITY:

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

7

DEPARTMENT:

Office of Procurement Services
Park & Recreation Department

CMO:

Elizabeth Reich, 670-7804
Willis Winters, 670-4071

MAPSCO:

46 Q

SUBJECT

Authorize a three-month service contract for the replacement of sod at the Cotton Bowl Stadium - Ryan Sanders Sports Services LLC, lowest responsive bidder of six - Not to exceed \$247,230 - Financing: General Funds

BACKGROUND

This service contract will allow for the replacement of sod at the Cotton Bowl Stadium. The current sod is 419 Tifway (natural grass sod) that has not been replaced since 2006 and has begun to mutate into a variety of different types of grasses resulting in inconsistent growth, discolored mounds, unreliable root systems, and higher maintenance.

The current sod is being replaced with new sod (TifTuf grass) which is more durable and has greater draught tolerance.

Additionally the new sod provides the following benefits:

- Uses 38 percent less water
- Faster recovery from use
- Superior color and density
- Higher disease resistance
- Superior cold tolerance

BACKGROUND (continued)

On January 10, 2018 City Council authorized staff to pursue submitting a bid to host the 2026 Fédération Internationale de Football Association (FIFA) World Cup and this sod will make the Cotton Bowl a viable candidate because of the standard quality requirements for a FIFA natural grass pitch.

The Cotton Bowl Stadium hosts a number sporting events each year to include the Dr. Pepper Dallas Cup Youth Soccer Tournament, international professional soccer matches, the Red River Showdown featuring the University of Texas and Oklahoma University, Grambling State versus Prairie View A&M University, the Heart of Dallas Bowl featuring teams from the Big 12, Big Ten, and Conference USA and high school football matchups. Many of these events are televised nationally and internationally showcasing the stadium, Fair Park, and the City to audiences.

On November 10, 2015, City Council authorized the wage floor rate of \$10.94, by Resolution No. 15-2141; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 22, 2018, the Park and Recreation Board authorized award of the three-month service contract to Ryan Sanders Sports Services, LLC.

The Government Performance & Financial Management Committee will receive this item for consideration on April 16, 2018.

FISCAL INFORMATION

General Funds - \$247,230.00

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$247,230.00	Other Services	23.80%	7.10%	\$17,564.00

- This contract does not meet the M/WBE goal of 23.80%, but complies with good faith efforts

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BI1803. We opened them on March 8, 2018. We recommend the City Council award this service contract in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidder</u>	<u>Address</u>	<u>Amount</u>
*Ryan Sanders Sports Services LLC	3400 E. Pine Valley Blvd. Round Rock, TX 78655	\$247,230.00
RLM Earthco, Inc.	1150 Blue Mound Rd. W. Suite 304 Fort Worth, TX 76052	\$266,183.60
W. O. Adams Construction Co. LLC	610 E Second St. Unit 103 Lancaster, TX 75146	\$319,800.00
Sports Field Solutions LLC	16400 Dallas Pkwy. Suite 400 Dallas, TX 75248	\$334,842.00
Paragon Sports Constructors	5001 Saunders Rd. Fort Worth, TX 76119	\$345,576.00
Joe Rider Butane, Inc. dba XStream Sports Field Concepts	7808 Jacksboro Hwy. Fort Worth, TX 76135	\$360,230.76

OWNER

Ryan Sanders Sports Services LLC

N. Reese Ryan, Owner
George King, President
Debbie Bowman, Secretary

AGENDA ITEM # 23**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

All

DEPARTMENT:

Office of Procurement Services
Department of Aviation
Department of Sanitation Services
Department of Trinity Watershed Management
Water Utilities Department

CMO:

Elizabeth Reich, 670-7804
Jody Puckett, 670-3390
Majed Al-Ghafry, 670-3302

MAPSCO:

N/A

SUBJECT

Authorize a two-year service contract for original equipment manufacturer service with associated parts to maintain City vehicles and equipment - Wastebuilt Southwest, LLC in the amount of \$2,936,250, Rush Truck Centers of Texas, LP dba Rush Truck Center, Dallas Medium Duty in the amount of \$2,139,598, Heil of Texas in the amount of \$1,030,000, CTE, LLC in the amount of \$324,840, Kirby-Smith Machinery, Inc. in the amount of \$232,340, Bridgeport Truck Mfg., Inc. in the amount of \$203,875, Sonic-Lute Riley Honda in the amount of \$173,891, Briggs Equipment in the amount of \$112,170, Daco Fire Equipment in the amount of \$100,240, Dickson Equipment Co., Inc. in the amount of \$98,350, Industrial Disposal Supply in the amount of \$68,075, and Landmark Equipment, Inc. in the amount of \$11,520, lowest responsible bidders of thirteen - Total not to exceed \$7,431,149 - Financing: General Funds (\$6,937,319), Water Utilities Current Funds (\$257,500), Sanitation Current Funds (\$150,345), Stormwater Drainage Management Current Funds (\$62,285), and Aviation Current Funds (\$23,700) (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for goods or services, for a specific term, which are ordered on an as needed basis.

BACKGROUND (continued)

This service contract will be used to provide original equipment manufacturer service with associated parts to maintain City vehicles and equipment. The City has approximately 8,400 pieces of equipment ranging from light and heavy-duty trucks to excavators. This service contract will be used to supplement the City's need for factory authorized service repairs to City vehicles and equipment necessary to keep the equipment in good, reliable condition.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 14,064 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.94, by Resolution No. 15-2141; the selected vendors meet this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 26, 2013, City Council authorized a three-year service contract for original equipment manufacturer parts and labor to maintain City vehicles and equipment with Park Cities Ford Lincoln, Holt Texas, Ltd., Kirby-Smith Machinery, Inc., AutoNation Chevrolet Galleria, Southwest International Trucks, Inc., Bobcat of Dallas, Rush Medium Duty Truck Center, Dallas, Equipment Southwest, Inc., Romco Equipment Co., LLC, Duncanville Automotive dba Freedom Dodge, Rush Truck Center, Dallas Light and Medium Duty, Four Brothers Outdoor Power, Inc., Sonic-Lute Riley, LP dba Lute Riley Honda, RDO Equipment Company, CLS Sewer Equipment Co., Inc., EV Autos, Metro Fire Apparatus Specialists, Inc., Kinloch Equipment and Supply, Inc., Stewart & Stevenson, LLC, Lone Star Trim, Industrial Disposal Supply Co., Ltd., Wheeled Coach Industries, Inc., Texas Underground dba Underground, Inc., Waterblasting Technologies, Inc., H.D. Industries, Inc., Witch Equipment Co., Quality Fire Truck Parts, LLC, Landmark Equipment, Inc., Dickson Equipment Co., Inc. and Longhorn Harley-Davidson; and a three-year service contract for original equipment manufacturer parts with MHC Kenworth by Resolution No. 13-1056.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

On April 13, 2016, City Council authorized supplemental agreement no. 1 to increase the service contract for original equipment manufacturer parts and labor to maintain City vehicles and equipment with Park Cities Ford Lincoln, Holt Texas, Ltd., Kirby-Smith Machinery, Inc., AutoNation Chevrolet Galleria, Southwest International Trucks, Inc., Bobcat of Dallas, Rush Medium Duty Truck Center, Dallas, Romco Equipment Co., LLC, Freedom Dodge dba Duncanville Automotive, Rush Truck Center, Dallas Light and Medium Duty, Four Brothers Outdoor Power, Inc., Sonic-Lute Riley, LP dba Lute Riley Honda, RDO Equipment Company, CLS Sewer Equipment Co., Inc., EV Autos, Metro Fire Apparatus Specialists, Inc., Kinloch Equipment and Supply, Inc., Stewart & Stevenson, LLC, Larry M. Green dba Lone Star Trim, Industrial Disposal Supply Co., Ltd., REV Ambulance Group Orlando, Inc. formerly known as Wheeled Coach Industries, Inc., Texas Underground dba Underground, Inc., Waterblasting Technologies, Inc., H.D. Industries, Inc., Witch Equipment Co., Inc., Quality Fire Truck Parts, LLC, Landmark Equipment, Inc., Dickson Equipment Co., Inc., and Longhorn Harley-Davidson; supplemental agreement no. 2 to increase the service contract for original equipment manufacturer parts and labor to maintain City vehicles and equipment with BTE Body Co., Inc.; and supplemental agreement no. 1 to increase the service contract for original equipment manufacturer parts with MHC Kenworth, and to extend the service contracts term from July 7, 2016 to January 7, 2017, by Resolution No. 16-0527.

On April 12, 2017, City Council authorized a three-year service contract for original equipment manufacturer service with associated parts to maintain City vehicles and equipment with Holt Texas, Ltd., Southwest International Trucks, Inc., Westway Ford, Kirby-Smith Machinery, Inc., Four Brothers Outdoor Power, Inc., Kinloch Equipment and Supply, Inc., Metro Fire Apparatus Specialists, Inc., Berry Companies, Inc. dba Bobcat of Dallas, RDO Equipment Company, Trash Truck Repair Services, Inc., ATC Freightliner Group, LLC, REV Ambulance Group Orlando, Inc., Stewart & Stevenson Power Products, LLC, Landmark Equipment, Inc., Longhorn Harley-Davidson, CTE Holding, LLC dba Custom Truck & Equipment, and Tom Loftus, Inc. dba Austin Turf and Tractor; and **(2)** a three-year service contract for original equipment manufacturer service with associated parts to maintain City vehicles and equipment with Freedom Dodge, MHC Kenworth dba Texas Kenworth, Rush Truck Centers of Texas, LP, Freedom Chevrolet, Romco Equipment Co., and CLS Sewer Equipment Co. by Resolution No. 17-0568.

The Government Performance & Financial Management Committee will receive this item for consideration on April 16, 2018.

FISCAL INFORMATION

General Funds - \$6,937,318.40 (subject to annual appropriations)
Water Utilities Current Funds - \$257,500.08 (subject to annual appropriations)
Sanitation Current Funds - \$150,345.00 (subject to annual appropriations)
Stormwater Drainage Management Current Funds - \$62,285.00 (subject to annual appropriations)
Aviation Current Funds - \$23,700.00 (subject to annual appropriations)

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$7,431,148.48	Goods	18.00%	0.00%	\$0.00

- This contract does not meet the M/WBE goal of 18.00%, but complies with good faith efforts

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BN1718. We opened them on September 15, 2017. We recommend the City Council award this service contract to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Wastebuilt Southwest, LLC	2025 Old Mill Run Garland, TX 75042	Multiple Groups
*Rush Truck Centers of Texas, LP dba Rush Truck Center, Dallas Medium Duty	4200 Irving Blvd. Dallas, TX 75247	Multiple Groups
*Heil of Texas	1440 S. Loop 12 Irving, TX 75060	Multiple Groups
*CTE, LLC	7200 Jack Newell Blvd. Ft. Worth, TX 76118	Multiple Groups

BID INFORMATION (continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Kirby-Smith Machinery, Inc.	8505 S. Central Expwy. Dallas, TX 75241	Multiple Groups
*Bridgeport Truck Mfg., Inc.	500 FM 1658 Bridgeport, TX 76426	Multiple Groups
*Sonic-Lute Riley Honda	1331 N. Central Expwy. Richardson, TX 75080	Multiple Groups
*Briggs Equipment	10540 N. Stemmons Frwy. Dallas, TX 75220	Multiple Groups
*Daco Fire Equipment	6000 Huddlestone St. Halthom City, TX 76137	Multiple Groups
*Dickson Equipment Co., Inc.	4525 Irving Blvd. Dallas, TX 75247	Multiple Groups
*Industrial Disposal Supply	1106 Paulson Dr. San Antonio, TX 78219	Multiple Groups
*Landmark Equipment	1351 S. Loop 12 Irving, TX 75060	Multiple Groups
BTE Body Co., Inc.	425 S. Loop 12 Irving, TX 75060	Multiple Groups

OWNERS**Wastebuilt Southwest, LLC**

Dave McKeon, Chief Operating Officer
James Pfeiffer, Executive Vice President
Scott Thompson, Chief Financial Officer

Rush Truck Centers of Texas, LP dba Rush Truck Center, Dallas Medium Duty

W.M. "Rusty" Rush, President
Derrek R. Weaver, Vice President

OWNERS (continued)

Heil of Texas

Larry Davis, President
John Davis, Vice President
Casey Brown, Secretary

CTE, LLC

Fred Ross, President
Matthew Beller, Vice President

Kirby-Smith Machinery, Inc.

Ed Kirby, President
Jeff Weller, Vice President
Celise Blewitt, Secretary
J.D. Young, Treasurer

Bridgeport Truck Mfg., Inc.

Anthony Kouri, President
Philomena Kouri, Secretary

Sonic-Lute Riley Honda

B. Scott Smith, President
Jeff Dyke, Vice President
Heath Byrd, Treasurer

Briggs Equipment

Chris Meinecke, President
Courtney Harvey, Vice President
Derek Claybrook, Secretary
Pam Doepe, Treasurer

Daco Fire Equipment

Steve Davis, President
Wesley Dobmeier, Vice President
Avonne Ofenstein, Secretary
Garrett Dobmeier, Treasurer

OWNERS (continued)

Dickson Equipment Co., Inc.

Jon M. Dickson, President
Joe E. Dickson, Vice President
Molly Dickson, Secretary

Industrial Disposal Supply

Candace Olsen, President

Landmark Equipment

Mike Lyle, President
Gary Lyle, Vice President
Kimberly Chambers, Secretary
Marla Lyle, Treasurer

AGENDA ITEM # 24**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

All

DEPARTMENT:Office of Procurement Services
Department of Communication and Information Services**CMO:**Elizabeth Reich, 670-7804
Jody Puckett, 670-3390**MAPSCO:**

N/A

SUBJECT

Authorize a three-year service contract for Microsoft premier support services with Microsoft Corporation through the State of Texas Department of Information Resources cooperative agreement - Not to exceed \$328,987 - Financing: Communication and Information Services Current Funds (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract provides for Microsoft premier support services for all Microsoft licensed products throughout the City. The Microsoft premier support services provides dedicated, enhanced technical support, and on-site assistance for complex and critical problems that arise during the use of Microsoft products. The City utilizes various Microsoft products such as Windows Server operating systems, Office 365 cloud computing, Visio, and Project to conduct daily business operations. Microsoft products are also used on City servers, workstations, and mobile devices. Microsoft premier support service is a comprehensive solution that enables the City to maximize information technology resources.

This contract is a vital component for the City that includes the following annual services:

- 180 hours of support account management
- 170 hours of workshops, support assistance
- 120 hours of problem resolution support
- Unlimited online support

BACKGROUND (continued)

Microsoft Corporation does not provide premier support services through any third-party vendor. Furthermore, pricing for this service is only provided through the Department of Information Resources.

The State of Texas Department of Information Resources is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code, Section 271.102 of the Texas Local Government Code which authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization.

On November 10, 2015, City Council authorized the wage floor rate of \$10.94, by Resolution No. 15-2141; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2015, City Council authorized a three-year service contract for Microsoft Premier Support Services with Microsoft Corporation through the Department of Information Resources, State of Texas Cooperative contract by Resolution No. 15-0155.

The Government Performance & Financial Management Committee will receive this item for consideration on April 16, 2018.

FISCAL INFORMATION

Communication and Information Services Current Funds - \$328,987.00 (subject to annual appropriations)

M/WBE INFORMATION

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$328,987.00	CO-OP	N/A	N/A	N/A

- The Business Inclusion and Development Plan does not apply to Cooperative Purchasing Agreements (CO-OPs)

OWNER

Microsoft Corporation

Satya Nadella, President
Brain Kevin Turner, Vice President

STRATEGIC PRIORITY: Public Safety

AGENDA DATE: April 25, 2018

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services
Department of Transportation

CMO: Elizabeth Reich, 670-7804
Majed Al-Ghafry, 670-3302

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for reflective and non-reflective sheeting for signs - Avery Dennison Corporation, lowest responsible bidder of three - Not to exceed \$1,435,901 - Financing: General Funds

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will be used to purchase reflective and non-reflective sheeting for signs used by the Department of Transportation to fabricate traffic, regulatory, and special signs needed throughout the City. Reflective and non-reflective sheeting material is used in the production of:

- Traffic control signs such as stop, speed limit, yield, and no turn signs
- Warning signs such as pedestrian crossing, school crossing, dip, and curve
- Street name signs and overhead street name signs found at signalized intersections

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 220 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 10, 2014, City Council authorized a three-year master agreement for reflective and non-reflective sheeting for signs with Avery Dennison Corporation-Reflective Solutions by Resolution No. 14-2090.

The Government Performance & Financial Management Committee will receive this item for consideration on April 16, 2018.

FISCAL INFORMATION

General Funds - \$1,435,900.50

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$1,435,900.50	Goods	18.00%	0.00%	\$0.00

- This contract does not meet the M/WBE goal of 18.00%, but complies with good faith efforts

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BY1802. We opened them on December 22, 2017. We recommend the City Council award this master agreement in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Avery Dennison Corporation	7542 N. Natchez Ave. Niles, IL 60714	\$1,435,900.50
3M Company	3M Center Bldg. 225-4N-14 St. Paul, MN 55144	\$1,521,044.50
Osburn Associates, Inc.	11931 State Route 93N Logan, OH 43138	\$2,039,212.25

OWNER

Avery Dennison Corporation

Mitch Butier, President

Deon Stander, Vice President

Sue Miller, Secretary

Greg Vovins, Treasurer

AGENDA ITEM # 27

STRATEGIC PRIORITY: Human and Social Needs

AGENDA DATE: April 25, 2018

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services
Park & Recreation Department

CMO: Elizabeth Reich, 670-7804
Willis Winters, 670-4071

MAPSCO: N/A

SUBJECT

Authorize **(1)** a three-year master agreement for the purchase of park amenities, supplies, and playground equipment parts for the Park and Recreation Department – The Playwell Group, Inc. in the amount of \$638,781, Most Dependable Fountains, Inc. in the amount of \$425,970, Pioneer Manufacturing Company in the amount of \$200,000, BSN Sports, LLC in the amount of \$100,000, Simba Industries in the amount of \$15,160, lowest responsible bidders of seven; and **(2)** a three-year master agreement for the purchase of park amenities, supplies, and playground equipment parts for the Park and Recreation Department with Gail's Flags & Golf Course Accessories, Inc. in the amount of \$60,000, Superior International Industries dba Superior Recreational Products in the amount of \$50,000, Lea Park and Play, Inc. in the amount of \$50,000, The Playground, Shade and Surfacing Depot in the amount of \$42,000, Whirlix Design, LLC in the amount of \$40,500, Victor Stanley, Inc. in the amount of \$27,000, Kompan, Inc. in the amount of \$12,000, Child's Play, Inc. in the amount of \$10,000, and Webuildfun, Inc. dba Miracle Recreation Equipment Co. in the amount of \$10,000, through the Texas Association of School Boards (BuyBoard) cooperative agreement - Total not to exceed \$1,681,411 - Financing: General Funds

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

BACKGROUND (continued)

This master agreement will be used to provide park amenities, supplies and playground equipment parts for the Park and Recreation Department to replace worn and damaged components throughout the City. The Park and Recreation Department maintains 393 parks totaling over 20,871 acres of developed and undeveloped park land; including over 158 miles of developed trails, 6 golf courses and 4 driving ranges, 1 skate park, over 268 adult and youth athletic fields, and 4 dog parks.

This master agreement will include items, such as:

- Picnic tables
- Park benches
- Pet waste station and supplies
- Outdoor grills
- Outdoor trash receptacles
- Outdoor drinking fountains
- Golf course supplies
- Playground equipment and parts

The Texas Association of School Boards (BuyBoard) conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals, in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code. In addition, BuyBoard receives bids from manufacturers and dealers throughout the United States.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 411 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity's ResourceLINK Team sent notifications to 25 chambers of commerce and advocacy groups, to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 14, 2015, City Council authorized a three-year master agreement for the purchase of park amenities, supplies and playground equipment parts for Park and Recreation with The Play Well Group, Inc., Mistral Security, Inc., Most Dependable Fountains, Inc., Victor Stanley, Inc., Recreation Consultants of Texas, Lea Park & Play, Inc., Pioneer Manufacturing Company, BSN Sports, Gail's Flags & Golf Course Accessories, Inc., Landscape Forms, Inc., Webuildfun, Inc. and ZW USA, INC. dba Zero Waste USA; and a three-year master agreement for the purchase of park amenities, supplies and playground equipment parts for Park and Recreation with The Play Well Group, Inc., Victor Stanley, Inc. and Gametime c/o Total Recreation Products, Inc., through the Texas Association of School Boards (BuyBoard) by Resolution No. 15-0108.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

On April 5, 2018, the Park and Recreation Board authorized award of the master agreement.

The Government Performance & Financial Management Committee will receive this item for consideration on April 16, 2018.

FISCAL INFORMATION

General Funds - \$1,681,410.48

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$1,379,910.48	Goods	18.00%	47.39%	\$653,940.48

- This contract exceeds the M/WBE goal of 18.00%

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BT1803. We opened them on November 10, 2017. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by line. Information related to this solicitation is available upon request.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*The Playwell Group, Inc.	4743 Iberia Avenue Suite C Dallas, TX 75207	Multiple Lines
*Most Dependable Fountains, Inc.	5705 Commander Drive Arlington, TN 38002	Multiple Lines

BID INFORMATION (continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Pioneer Manufacturing Company	4529 Industrial Parkway Cleveland, OH 44135	Multiple Lines
*BSN Sports, LLC	1901 Diplomat Drive Farmers Branch, TX 75234	Multiple Lines
*Simba Industries	753 Port America Place Suite 210 Grapevine, TX 76051	Multiple Lines
KidZone Play, LLC Dbas Recreation Consultants of Texas	3121 National Circle Garland, TX 75041	Multiple Lines
SiteOne Landscape Supply	1385 East 36 th Street Cleveland, TX 44114	Non-responsive**

**SiteOne Landscape Supply was deemed non-responsive due to not meeting specifications.

Vendors below are being awarded through the Texas Association of School Boards (BuyBoard) cooperative agreement for lines which a response was not received through the solicitation process.

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Gail's Flags & Golf Course Accessories, Inc.	2128 Carson Street Haltom City, TX 76117	Multiple Lines
*Superior International Industries dba Superior Recreational Products	1050 Columbia Drive Carrollton, GA 30117	Multiple Lines
*Lea Park & Play, Inc.	1201 Kas Drive Suite A Richardson, TX 75081	Multiple Lines
*The Playground, Shade and Surfacing Depot	200 N. Rufe Snow Drive Suite 209 Keller, TX 76248	Multiple Lines

BID INFORMATION (continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount of Bid</u>
*Whirlix Design, LLC	1701 International Parkway Suite 125 Richardson, TX 75081	Multiple Lines
*Victor Stanley, Inc.	2103 Brickhouse Road Dunkirk, MD 20754	Multiple Lines
*Kompan, Inc.	821 Grand Avenue Parkway Suite 410 Pflugerville, TX 78753	Multiple Lines
*Child's Play, Inc.	10661 Shady Trail Dallas, TX 75220	Multiple Lines
*Webuildfun, Inc. dba Miracle Recreation Equipment Co.	103 W. McDermott Drive Suite 300 Allen, TX 75013	Multiple Lines

OWNERS**The Playwell Group, Inc.**

Matisse Martinez, President
Jeff Popenoe, Vice President
Paul Gessner, Treasurer

Most Dependable Fountains, Inc.

Joe Cappadona, President
Tommy L. McGrory, Secretary

Pioneer Manufacturing Company

Doug Schattinger, President
Jack Nesser, Vice President

OWNERS (continued)

BSN Sports, LLC

Terrence Babilla, President
Kurt Hagen, Vice President
Burton Brillhart, Secretary
Kent Laber, Treasurer

Simba Industries

Vickie L. Kasten, President

Gail's Flags & Golf Course Accessories, Inc.

Cassandra Raulins, President
Candace Cline, Vice President
Dan Raulins, Secretary

Superior International Industries dba Superior Recreational Products

Brian Warren, Chief of Finance Officer
Jonathan Hardesty, General Manager

Lea Park & Play, Inc.

Travis Lea, President
Emily Lea, Vice President

The Playground, Shade and Surfacing Depot

Shane Jefferys, President
Stephanie Jefferys, Vice President

Whirlix Design, LLC

Jason Edmundson, President

Victor Stanley, Inc.

Stanley Skalka, President
Gerald Skalka, Vice President

OWNERS (continued)

Kompan, Inc.

Peter Elkjaer-Larsen, President
Kerrin Smith, Vice President
Edward Wright Jr., Secretary
Jesper Kristensen, Treasurer

Child's Play, Inc.

Jay L. Robertson, President
Kathy M. Robertson, Vice President

Webuildfun, Inc. dba Miracle Recreation Equipment Co.

Vince Allen, President
Kristen Allen, Vice President
Janie Painter, Treasurer

AGENDA ITEM # 35**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

N/A

DEPARTMENT:

Office of Budget

CMO:

Elizabeth Reich, 670-7804

MAPSCO:

N/A

SUBJECT

An ordinance amending Ordinance No. 30651, previously approved on September 20, 2017, as amended by Ordinance No. 30752, previously approved on January 24, 2018, authorizing certain transfers and appropriation adjustments for FY 2017-18 for various departments, activities, and projects; and authorize the City Manager to implement those adjustments - Financing: No cost consideration to the City

BACKGROUND

On September 20, 2017, City Council adopted the FY 2017-18 City of Dallas Operating, Capital, and Grant & Trust Budgets by Ordinance No. 30651.

City Charter does not allow for expenditure of City funds without sufficient appropriation (City Charter Chapter XI, Section 6). Management closely monitors revenues and expenditures throughout the fiscal year to ensure compliance with City Charter. Management communicates the financial status of the City to City Council in the monthly Financial Forecast Report and provides quarterly briefings to the Government Performance and Financial Management committee.

The amendments requested reflect: (1) appropriation adjustments previously approved by City Council; (2) Salary and Benefit Reserve transfers authorized per the budget ordinance; (3) adjustments to ensure adequate departmental appropriations in the General Fund; (4) appropriate excess revenue as allowed by City Charter (City Charter Chapter XI, Section 5); (5) Enterprise, Other, Grant, and Trust funds revenue and expenditure increases; and (6) capital appropriation adjustments.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 20, 2017, City Council authorized the final reading and adoption of the appropriation ordinance for the FY 2017-18 City of Dallas Operating, Capital, and Grant & Trust Budgets by Resolution No. 17-1505; Ordinance No. 30651.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

On January 24, 2018, City Council amended Ordinance No. 30651, previously approved on September 20, 2017 to appropriate monies for projects authorized by the 2017 General Obligation bond program by Resolution No. 18-0197; Ordinance No. 30752.

The Government Performance and Financial Management Committee will be briefed regarding this item on April 16, 2018.

FISCAL INFORMATION

No cost consideration to the City.

Memorandum



CITY OF DALLAS

DATE April 12, 2018

Honorable Members of the Government Performance & Financial Management
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Communications Related to the FY 2017 Audit**

On Monday, April 16, 2018, Grant Thornton will brief the Government Performance & Financial Management Committee on Communications Related to the FY 2017 Audit. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



2017 Presentation to the Government Performance and Financial Management Committee of the City of Dallas

Communications Related to the FY 2017 Audit
April 16, 2018



Significant Risks and Areas of Audit Focus

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Water and Sewer Revenues and Receivables	<ul style="list-style-type: none">- Tested existence and accuracy of receivables at 9/30 year-end by reviewing customer activity, invoices, and subsequent payment.- Tested revenues by recalculating water and sewer charges using readings and rates per City Ordinance. <p>Results: No exceptions noted.</p>
Airport Revenues and Receivables	<ul style="list-style-type: none">- Tested existence and accuracy of receivables at 9/30 year-end by reviewing invoice, examined evidence that services were provided, and verifying subsequent payment was received.- Tested revenues by reviewing invoice, examined evidence that services were provided, and verifying payment was received. <p>Results: No exceptions noted.</p>
Grant Revenues and Receivables	<ul style="list-style-type: none">- Tested existence and accuracy of receivables at 9/30 year-end by reviewing applicable agreement, ensuring eligibility requirements, verifying payments from awarding party.- Tested revenues by reviewing applicable agreement, ensuring eligibility requirements, verifying payments from awarding party.- Reconciled amounts reported as grant revenues to the SEFA/SESA. <p>Results: No exceptions noted.</p>

Significant Risks and Areas of Audit Focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Other Revenues and Receivables	<ul style="list-style-type: none">- Tested existence and accuracy of receivables at 9/30 year-end by reviewing invoice, examined evidence that services were provided, and verifying subsequent payment was received.- Tested revenues by reviewing invoice, examined evidence that services were provided, and verifying payment was received. <p>Results: No exceptions noted.</p>
Net pension liability and expense, actuarial information related to self-insurance (IBNR), workers compensation liabilities and OPEB Plans	<ul style="list-style-type: none">- Reviewed assumptions in the actuarial report for reasonableness. Agreed and tested the active census population data to the GRS valuation report as of 12/31/16. Verified Net Pension Liability disclosures (GASB 68) were appropriate.- Reviewed the actuarial report or third party calculations related to worker's compensation, self-funded group health insurance, life insurance and general liability insurance. Reviewed the work of specialist used by the City to calculate the financial amounts.- Reviewed assumptions in the actuarial report for reasonableness. Agreed and tested the active census population data to the Holmes Murphy valuation report as of 9/30/17. Verified OPEB disclosures were appropriate. <p>Results: No exceptions noted.</p>
Compliance and controls related to federal and state single audit major programs	<ul style="list-style-type: none">- Tested compliance and the effectiveness of internal controls over compliance in accordance with Uniform Guidance and the State of Texas Single Audit Circular. <p>Results: See Single Audit slide</p>

Significant Risks and Areas of Audit Focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Areas of focus	Results
Controls- based approach	Payroll
Controls- based approach	Disbursements

Other Areas:

- Governance
- Fraud inquiries
- Information technology
- Adequacy of disclosures
- Investments/Treasury
- Debt, including compliance and ratios
- Tax Revenues
- Allowance for doubtful accounts
- Capital Assets
- Investments
- Revenue and GO bond issuances
- Employee Compensation
- Operating Expenditures
- Landfill closure and post-closure
- Passenger Facility Charge compliance
- Dallas Convention Center Hotel Development Corporation
- Love Field Airport Modernization Corporation and related transactions

Federal and State Major Programs

Federal Programs Audited	State Programs Audited
HOME Investment Partnership Program	Homeless Housing and Service Program
Housing Opportunities for Persons with AIDS	Confiscated Monies
Continuum of Care Program	TPWD Urban Outdoor – Dallas Bachman Lake Park Grant
Community Development Block Grants (CDBG) Loan Program	
Homeland Security Grant Program	

Single Audit - Current Year Draft Findings

Source	Program	Award #	Finding	Severity	Status
Federal	Continuum of Care	TX0072L6T001508	Special Test: Reasonable Rental Rates - We noted one (1) of sixty (60) participant files reviewed were missing properly completed Rent Reasonableness Determination form documenting that the City performed the reasonable rental rates analysis, the Tenant Rent Calculation Worksheet used to support the calculation and determination of monthly rent amounts to be paid on the participant's behalf, the Payment Request Worksheet, and the Lease Agreement.	Noncompliance	Repeat finding (2017-002)
Federal	Continuum of Care	TX0072L6T001508 TX0050L6T001508	Special Test: Housing Quality Standards - We noted three (3) of sixty (60) participant files reviewed were missing properly completed Housing Quality Inspection Report documenting that the City performed the housing quality inspection and that the unit meet housing quality standards.	Noncompliance	New finding (2017-003)
Federal	Continuum of Care	TX0072L6T001508	Eligibility - We noted one (1) of sixty (60) participant files reviewed were missing properly completed Gross Household Income Certification Worksheet, the Declaration of No Income form, and the Tenant Rent Calculation Worksheet used to support the calculation and determination of monthly rent amounts to be paid on the participant's behalf.	Noncompliance	New finding (2017-004)

Single Audit - Current Year Draft Findings, continued

Source	Program	Award #	Finding	Severity	Status
Federal	Continuum of Care	TX0072L6T001508 TX0050L6T001508	Eligibility, Special Test: Housing Quality Standards, and Special Test: Reasonable Rental Rates - Based on testing performed, we noted that there was a lack of sufficient review of participant files to ensure the accuracy and completeness of participant files, including the review of information included in the files to support the provision of services.	Material Weakness	Repeat finding (2017-001)
Federal	Housing Opportunities for Persons with AIDS (HOPWA)	TXH16-F001	Special Test: Community Residences - For the three (3) community residences grants awarded for FY16-17, there were no Community Residence Certifications attached as part of the contracts.	Significant deficiency and Non-Compliance	New Finding (2017-005)
State	TPWD Urban Outdoor-Dallas Bachman Lake Park Grant	55-000026	Cash Management - For one (1) of the one reimbursement request submitted and tested, there was no evidence of supervisory review or review from someone other than the preparer.	Significant deficiency	New Finding (2017-006)

Single Audits – Status of Prior Year Findings

Source	Program	Award #	Finding	Severity	Status
Federal	Continuum of Care	TX0236L6T001406 TX0072L6T001407 TX0050L6T001407	Special Test: Reasonable Rental Rates - based on testing performed, we noted four (4) of sixty (60) participant files reviewed were missing properly completed Rent Reasonableness Determination form documenting that the City performed the reasonable rental rates analysis, and the Tenant Rent Calculation Worksheet used to support the calculation and determination of monthly rent amount amounts to be paid on the participant's behalf.	Noncompliance	Repeat finding (2016-002, 2015-002)
Federal	Continuum of Care	TX0236L6T001406 TX0072L6T001407 TX0050L6T001407	Eligibility, Special Test: Housing Quality Standards, and Special Test: Reasonable Rental Rates - based on testing performed, we noted that there was a lack of sufficient review of participant files to ensure the accuracy and completeness of participant files, including the review of information included in the files to support the provision of services.	Material Weakness	Repeat finding (2016-001, 2015-001)
State	Commercial Auto Theft Interdiction Squad (CATIS)	608-16-DPD0000	Cash management – during our testing, we noted that as part of its August 31, 2016 Quarterly Expenditure Report, the City of Dallas' Police Department (DPD) Grants Management requested reimbursement of \$15,555 for body armor/vests which were not received or paid for until November 2016 and December 2016, respectively.	Control deficiency and noncompliance	Remediated (State 2016-001)

Scope of IT Control Testing

- The scope of the IT Controls Testing included the following IT governance areas:
 - Security Administration
 - Change Management
 - Batch Job Administration
- The following applications were included in our review:
 - SAP (and underlying databases)
 - Advantage Financial System (and underlying databases)
 - Active Directory
- Six IT control observations were identified during this year's IT testing
 - End users with security administration access in SAP
 - End users with privileged access to batch administration in SAP
 - Inappropriate access to promote application changes in SAP
 - Timely revocation of SAP access for terminated employees
 - Changes to SAP were not being formally tested and approved prior to implementation.
 - User accounts and associated permissions within SAP were not being formally, proactively reviewed for appropriateness

Reports Issued

- Financial statement audits:
 - Comprehensive annual financial report (CAFR)
 - Single Audits
 - Federal (Uniform Grants Guidance)- to be issued
 - State (State of Texas Single Audit Circular) - to be issued
- Separate reports:
 - Airport Revenues Fund and Passenger Facility Charge compliance- to be issued
 - Dallas Convention Center Hotel Development Corporation- to be issued
 - Dallas Water Utilities- to be issued
 - Downtown Dallas Development Authority Tax Increment Financing District
 - Texas Commission on Environment Quality financial assurance agreed-upon procedures

Results of Financial Statement Audits

- Comprehensive Annual Financial Report (CAFR) :
 - Unmodified "clean" opinions
 - Includes GFOA Certificate of Achievement for 2016 CAFR. The City has received this award for eleven years in a row.
 - No scope limitations
 - Continued open and effective communication with management
- Federal Single Audit Report:
 - Pending completion
- State Single Audit Report:
 - Pending completion

Summary of Misstatements (\$000s)

There were no adjusting journal entries recorded or passed as a result of the financial statement audits.

Other Required Communications

Professional standards require that we communicate the following matters to you, as applicable.

Going concern matters
Fraud and noncompliance with laws and regulations
Significant deficiencies and material weaknesses in internal control over financial reporting
Use of other auditors
Use of internal audit
Related parties and related party transactions



Other Required Communications

(continued)

Disagreements with management
Management's consultations with other accountants
Significant issues discussed with management
Significant difficulties encountered during the audit
Other significant findings or issues that are relevant to you and your oversight responsibilities
Modifications to the auditor's report
Other information in documents containing audited financial statements



Quality of Accounting Practices

Accounting policies	Accounting policies used are considered appropriate in all material respects.
Accounting estimates	<ul style="list-style-type: none">• Depreciation of capital assets;• Allowance for receivables;• Accruals for self-insurance liabilities, including Incurred But Not Reported (IBNR) Claims;• Arbitrage rebate liability;• Net Pension and OPEB Assets, Liabilities and related disclosures; and• Landfill closure and post-closure <p>We performed test to satisfy ourselves that these amounts are materially correct.</p>
Disclosures	<ul style="list-style-type: none">• We have assessed the financial statements and disclosures for clarity and completeness.• Footnote disclosures in the financial statements appear overall to be neutral, consistent, and clear.

Internal Controls Matters

Responsibility We are responsible for obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. Control deficiencies that are of a lesser magnitude than a significant deficiency will be communicated to management.

Definitions

- A deficiency in internal control ("control deficiency") exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, misstatements on a timely basis.
- A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the city's annual or interim financial statements will not be prevented or detected on a timely basis.

Use of the Work of Others

Other Auditors

Hopkins & Associates

Logan & Associates

Owen & Thurman, P.C.

Serna & Company, P.C.

Specialists

GT IT/Advisory - review of information technology environment

GT Valuation - valuation of investments

GT Actuary - review assumptions and method's used by the City's actuary in determining pension, postretirement benefit liabilities, and self-insurance

Financial Trends



Financial Highlights – Summary (In Millions)

<u>Government-Wide:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental:					
Change in net position (deficit)	\$ (494)	\$ (742)	\$ 256	\$ 81	\$ 83
Total net position	(3,847)	(3,353)	(2,679)	2,245	2,163
Ending unrestricted net position (deficit)	(6,773)	(6,164)	(5,393)	(306)	(294)
Capital assets, net	3,917	3,829	3,735	3,596	3,413
Business-type:					
Change in net position (deficit)	\$ 111	\$ (4)	\$ 93	\$ 114	\$ 119
Total net position	3,319	3,208	3,280	3,357	3,243
Ending unrestricted net position (deficit)	(50)	1,946	239	363	293
Capital assets, net	6,680	6,468	6,057	5,808	5,592
<u>Governmental:</u>					
Tax Rate (per \$100 valuation)					
Total	\$ 0.7825	\$ 0.7970	\$ 0.7970	\$ 0.7970	\$ 0.7970
General Fund	\$ 0.5601	0.5646	0.5646	0.5601	0.5439
Debt Service	\$ 0.2224	0.2324	0.2324	0.2369	0.2531
Taxable Assessed Valuation (in billions)	\$ 110.4	\$ 100.3	\$ 93.1	\$ 87.3	\$ 83.7
Total General Obligation Bonds	\$ 1,354.9	\$ 1,485.0	\$ 1,406.0	\$ 1,235.8	\$ 1,429.0
Debt Service expenditures as a percentage of non-capital expenditures	16.2%	16.6%	16.3%	15.1%	15.9%
General Fund Balance:					
Total	\$ 235.2	\$ 191.0	\$ 200.1	\$ 180.7	\$ 157.0
Unreserved/Unassigned	\$ 171.7	\$ 153.7	\$ 141.6	\$ 129.2	\$ 120.8
General Fund Expenditures	\$ 1,160.0	\$ 1,122.7	\$ 1,138.8	\$ 1,091.9	\$ 1,022.5
Unreserved/Unassigned General Fund balance as a percentage of expenditures	14.80%	13.70%	12.40%	11.84%	11.81%
Excess (deficiency) of revenues over (under) expenditures	\$ 32.8	\$ (1.6)	\$ 11.4	\$ 3.6	\$ 0.5
Transfers in (out) of General Fund, net	\$ 11.3	\$ 6.2	\$ 7.5	\$ 16.1	\$ 2.3

Financial Highlights – Summary (continued)

<u>Business-Type:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Income (loss) before transfers and contributions:					
Dallas Water Utilities	\$ 111.5	\$ 24.9	\$ 77.7	\$ 137.3	\$ 115.8
Convention Center*	5.7	4.8	6.9	-	(7.3)
Airport Revenue	(8.1)	(11.0)	7.3	(6.5)	(5.3)
Sanitation**	3.6	(13.6)	N/A	N/A	N/A
Total Capital Assets, net					
Dallas Water Utilities	\$ 5,034	\$ 4,889	\$ 4,601	\$ 4,391	\$ 4,211
Convention Center*	464	479	495	508	511
Airport Revenue	1,136	1,059	960	907	868
Sanitation**	44	39	N/A	N/A	N/A
Ending net position:					
Dallas Water Utilities	\$ 2,592	\$ 2,469	\$ 2,450	\$ 2,512	\$ 2,393
Convention Center*	262	265	266	267	276
Airport Revenue	569	568	558	552	553
Sanitation**	(88)	(85)	N/A	N/A	N/A
Revenue Bond Coverage:					
Dallas Water Utilities (minimum requirement 1.25)	1.85	1.74	1.54	1.81	1.85
Convention Center*	1.7	1.8	2	1.7	1.7
Airport Revenue	N/A	N/A	N/A	N/A	N/A
Sanitation**	N/A	N/A	N/A	N/A	N/A
Internal Service Fund Balance (deficit):					
Risk Funds fund deficit	\$ (112.0)	\$ (64.2)	\$ (51.5)	\$ (42.0)	\$ (52.2)
Risk Funds claims total liability	137.4	79.4	68.7	66.2	70.1
Risk Funds fund deficit as a % of total general fund balance	47.62%	33.59%	25.74%	23.24%	33.25%
Net Other Post Employment Benefit "OPEB" obligation	\$ 264.2	\$ 252.2	\$ 241.5	\$ 229.5	\$ 207.5
Landfill closure and post-closure liability	\$ 40.2	\$ 30.9	\$ 30.3	\$ 34.6	\$ 33.2

*The operations of the Convention Center include the Kay Bailey Hutchison Convention Center, American Airlines Center, Union Station, the City Fountain, and Office of Special Events

**The Sanitation fund was presented as a major fund for the first time during FY 2016. As such, other prior year balances are not available.

Financial Highlights – Government-Wide (In Millions)

Definitions:

- "Change in net position (deficit)": essentially "net income (loss)"
- "Total net position (deficit)": the excess (deficit) of assets vs. liabilities
- "Unrestricted net position": "remaining" net position after deducting "net investment in capital assets" and "restricted" components
- "Capital Assets, net": long-term capital assets, net of accumulated depreciation

Financial Trends

<u>Government-Wide:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental:					
Change in net position (deficit)	\$ (494)	\$ (742)	\$ 256	\$ 81	\$ 83
Total net position	(3,847)	(3,353)	(2,679)	2,245	2,163
Ending unrestricted net position (deficit) (1)	(6,773)	(6,164)	(5,393)	(306)	(294)
Capital assets, net (3)	3,917	3,829	3,735	3,596	3,413
Business-type:					
Change in net position	\$ 111	\$ (4)	\$ 93	\$ 114	\$ 119
Total net position	3,319	3,208	3,280	3,357	3,243
Ending unrestricted net position (2)	(50)	1,946	239	363	293
Capital assets, net (3)	6,680	6,468	6,057	5,808	5,592

Key Observations:

- (1) The "Governmental" unrestricted net (deficit) position increased annually from 2013-2017
- (2) The "Business-type" unrestricted net position increased from 2013 to 2014, decreased in 2015, increased in 2016, and decreased in 2017
- (3) "Capital Assets, net balances (both "Governmental" and "Business-type") have increased annually from 2013-2017

Financial Highlights – Governmental Tax Rate, Assessed Value and Debt (In Millions)

Definitions:

- The "Tax Rate" is the City's tax rate in total (per \$100 of valuation) with components for general fund or debt service shown separately
- "Taxable Assessed Valuation" is the total value of the City's tax base upon which the tax rate is levied
- Total "General Obligation Debt" is debt backed by the full faith and credit of the City

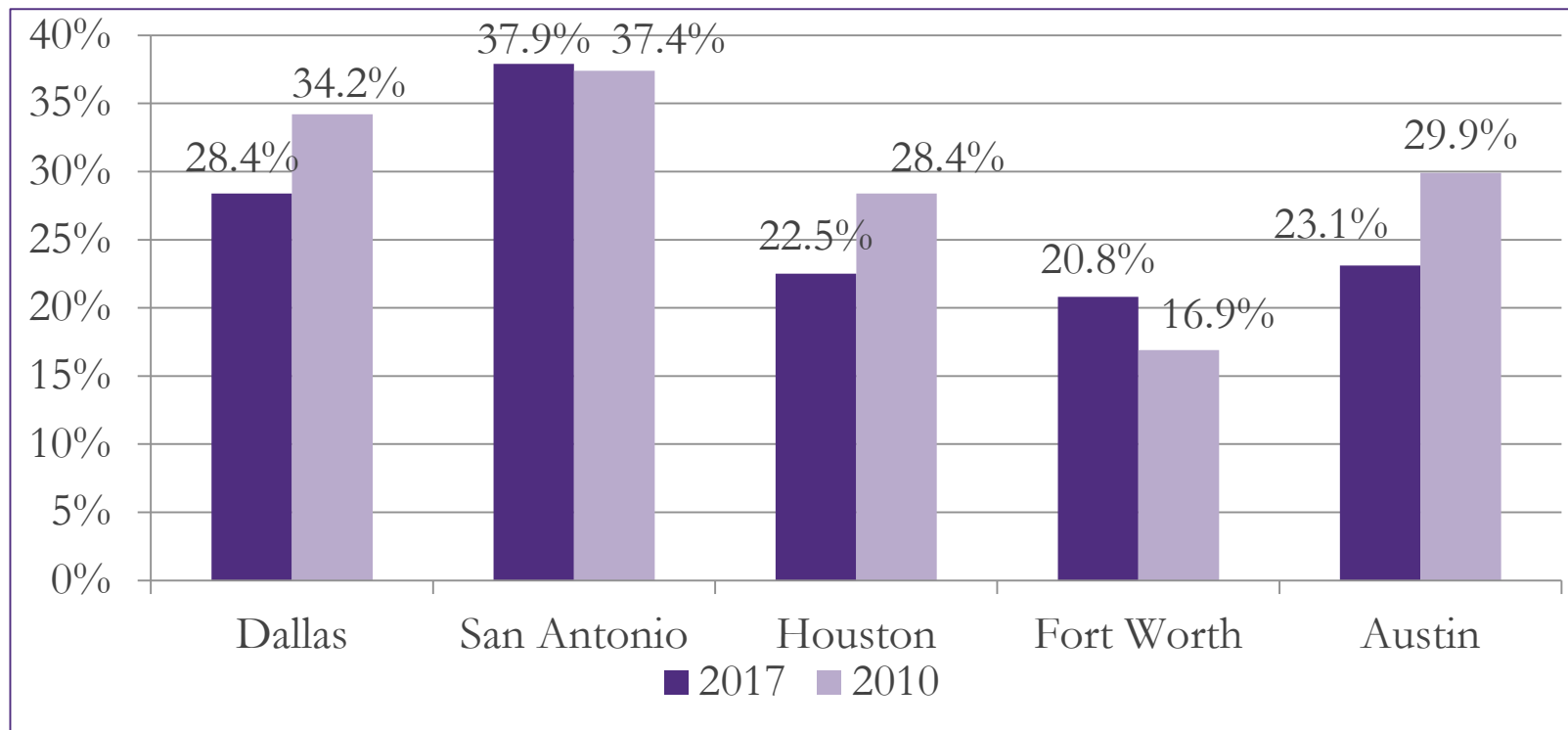
Financial Trends:

<u>Governmental:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate (per \$100 valuation)					
Total (1)	\$ 0.7825	\$ 0.7970	\$ 0.7970	\$ 0.7970	\$ 0.7970
General Fund	0.5601	0.5646	0.5646	0.5601	0.5439
Debt Service (2)	0.2224	0.2324	0.2324	0.2369	0.2531
Taxable Assessed Valuation (in billions) (3)	\$ 110.4	\$ 100.3	\$ 93.1	\$ 87.3	\$ 83.7
Total General Obligation Debt (4)	\$ 1,355	\$ 1,492	\$ 1,559	\$ 1,236	\$ 1,353
Debt Service expenditures as a percentage of non-capital expenditures (5)	16.20%	16.60%	16.34%	15.10%	15.88%

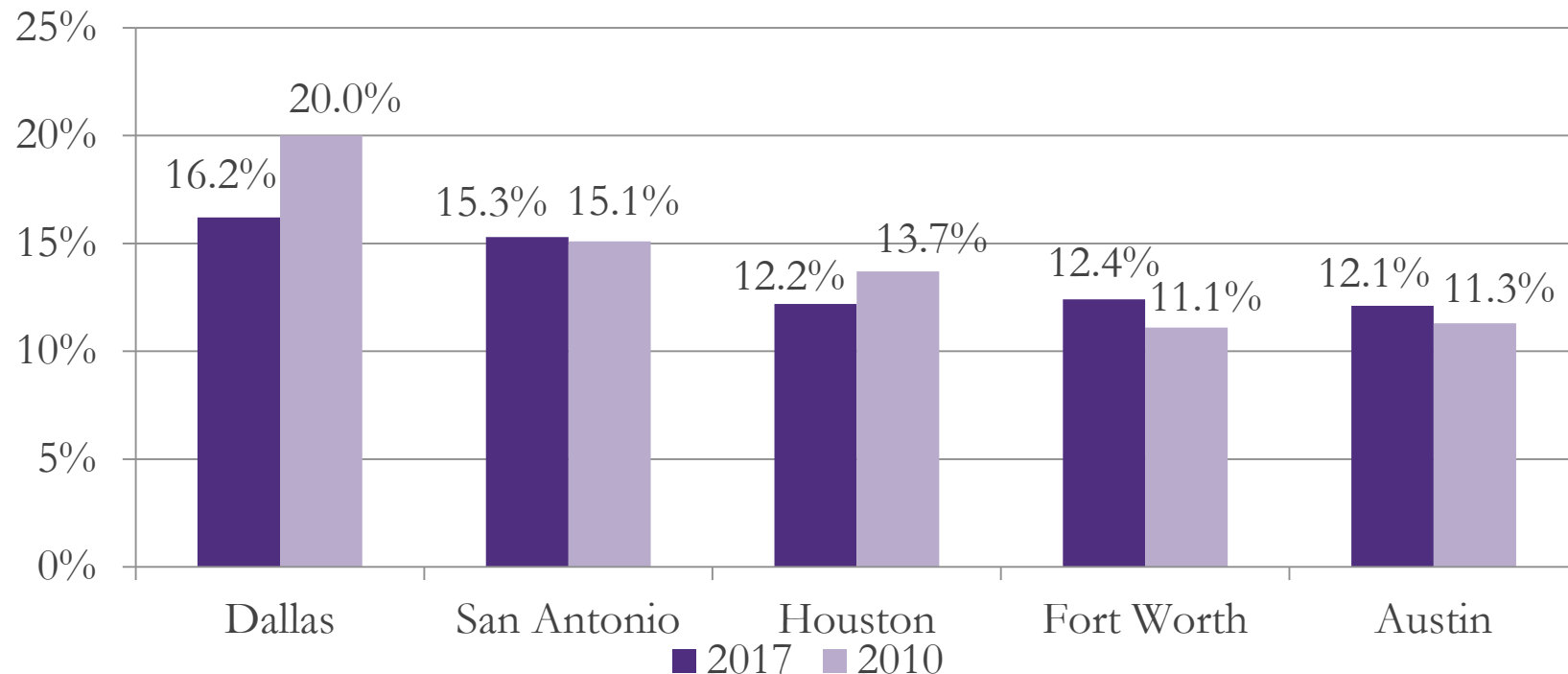
Key Observations:

- (1) The total tax rate remained unchanged from 2013-2016. Total tax rate changed in 2017.
- (2) The tax rate component for debt service decreased annually from 2013-2015, stayed flat in 2016, and decrease in 2017.
- (3) The taxable assessed valuation increased annually from 2013-2017
- (4) Total General Obligation debt decreased in 2014, increased in 2015, and decreased in 2016 and 2017.
- (5) Debt service expenditures as a % of non-capital expenditures decreased from 2013-2014, increased in 2015 and 2016, and decreased in 2017.

Debt Service Component of Tax Rate as a Percentage of Total Rate



Debt Service Expenditures as a Percentage of Non-Capital Expenditures



Financial Highlights – General Fund (In Millions)

Definitions:

- The General fund essentially accounts for all activities that are not required to be accounted for elsewhere
- Transfers in (out) of general fund, net reflects all transfers from (to) other funds of the City, net

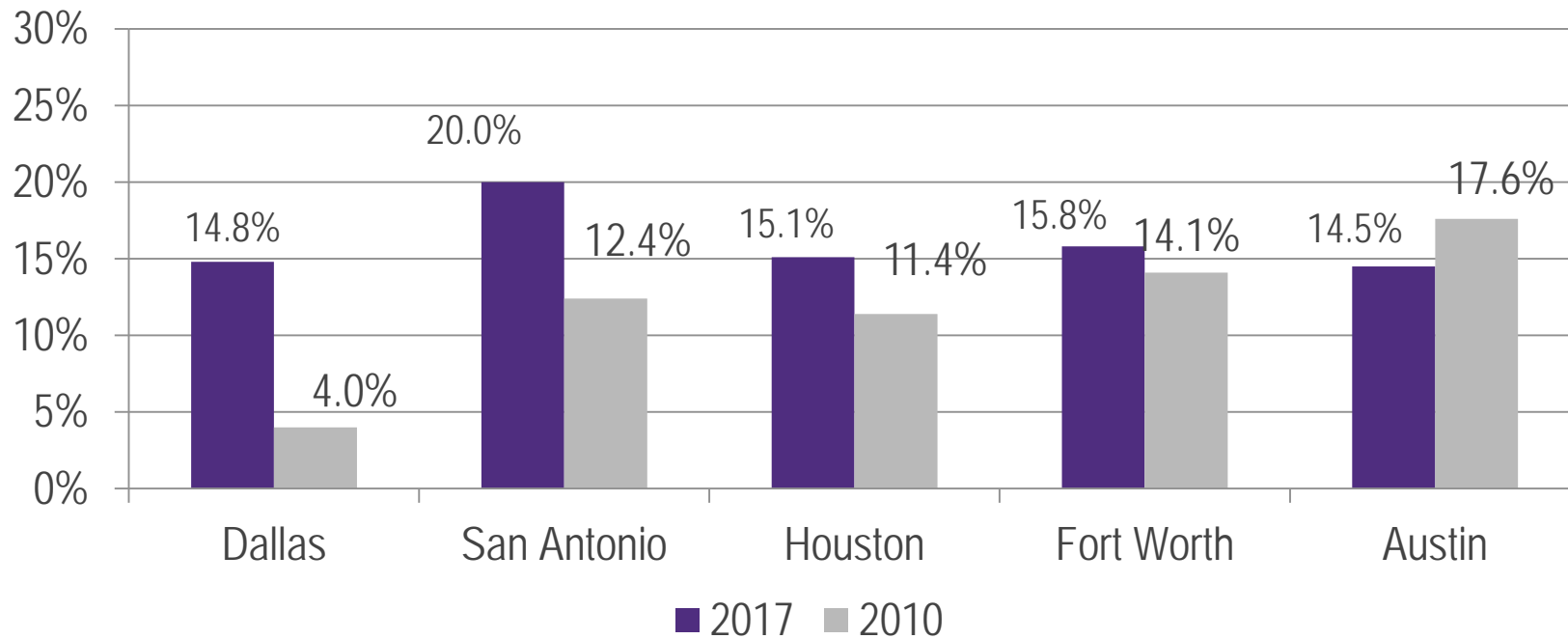
Financial Trends:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund Balance: (1)					
Total	\$ 235.2	\$ 191.0	\$ 200.1	\$ 180.7	\$ 157.0
Unreserved/Unassigned	\$ 171.7	\$ 153.7	\$ 141.6	\$ 129.2	\$ 120.8
General Fund Expenditures (2)	\$ 1,160.0	\$ 1,122.7	\$ 1,138.8	\$ 1,091.9	\$ 1,022.5
Unreserved/Unassigned General Fund balance as a percentage of expenditures (1)	14.80%	13.70%	12.40%	11.84%	11.81%
Excess (deficiency) of revenues over (under) expenditures (3)	\$ 32.8	\$ (1.6)	\$ 11.4	\$ 3.6	\$ 0.5
Transfers in (out) of General Fund, net (4)	\$ 11.3	\$ 6.2	\$ 7.5	\$ 16.1	\$ 2.3

Key Observations:

- (1) The Total General Fund Balance increased annually from 2013- 2015, decreased in 2016, and increased in 2017. The Unreserved/Unassigned General Fund Balance increased annually from 2013 to 2017. The "unreserved/unassigned general fund balance as a percentage of expenditures" increased annually from 2013 to 2017.
- (2) General Fund expenditures have remained relatively consistent from 2013-2017.
- (3) Revenues have been in excess of expenditures from 2013-2017, except in 2016
- (4) Transfers have been transfers-in from 2013 through 2017.

Unassigned/Unreserved General Fund Balance as a Percentage of General Fund Expenditures



Financial Highlights – Business-Type "Enterprise" Activities (In Millions)

Definitions:

- Income (loss) before transfers and contributions is essentially "operating income (loss)"
- Revenue bond coverage is "net revenues, as defined" divided by total debt service expenditures

Financial Trends:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Income (loss) before transfers and contributions:					
Dallas Water Utilities (4)	\$ 111.5	\$ 24.9	\$ 77.0	\$ 137.3	\$ 115.8
Convention Center*	5.7	4.8	6.9	-	(7.3)
Airport Revenue	(8.1)	(11.0)	7.3	(6.5)	(5.3)
Sanitation	3.6	(13.6)	N/A	N/A	N/A
Total Capital Assets, net (1)					
Dallas Water Utilities	5,034	4,889	\$ 4,601	\$ 4,391	\$ 4,211
Convention Center*	464	479	495	508	511
Airport Revenue	1,136	1,059	960	907	868
Sanitation	44	39	N/A	N/A	N/A
Revenue Bond Coverage:					
Dallas Water Utilities (2)	1.85	1.74	1.54	1.81	1.85
Convention Center* (3)	1.7	1.8	2.0	1.7	1.7
Airport Revenue	N/A	N/A	N/A	N/A	N/A
Sanitation	N/A	N/A	N/A	N/A	N/A

Key Observations:

- (1) Total Capital Assets, net increased annually between 2013-2017.
- (2) Revenue Bond Coverage for Dallas Water Utilities remained relatively consistent from 2013 to 2017.
- (3) Revenue Bond Coverage for Convention Center has remained consistent from 2013-2017.
- (4) Dallas Water Utilities net income decreased from 2014-2016 and increase in 2017.

*The operations of the Convention Center include the Kay Bailey Hutchison Convention Center, American Airlines Center, Union Station, the City Fountain, and Office of Special Events,

**The Sanitation fund was presented as a major fund for the first time during FY 2016. As such, other prior year balances are not available.

Financial Highlights – Risk Funds, OPEB (Other Postemployment Benefits), Pension and Landfill Obligations (In Millions)

Definitions:

- The Risk funds account for the City's self-insured health, worker's compensation and general liability programs
- The net OPEB obligation is the actuarially-determined liability for benefits to be provided to retired employees
- The landfill closure and post-closure liability is estimated based upon percentage utilized

Financial Trends:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Internal Service Fund Balance (deficit): (1)					
Risk Funds fund deficit	\$ (112.0)	\$ (64.2)	\$ (51.5)	\$ (42.0)	\$ (52.2)
Risk Funds claims total liability	137.4	79.4	68.7	66.2	70.1
Risk Funds fund deficit as a % of total general fund balance (2)	47.62%	33.59%	25.74%	23.24%	33.25%
Net Other Post Employment Benefit "OPEB" obligation (3)	\$ 264.2	\$ 252.2	\$ 241.5	\$ 229.5	\$ 207.5
Landfill closure and post-closure liability (4)	\$ 40.2	\$ 30.9	\$ 30.6	\$ 34.6	\$ 33.2
Net Pension Liability (5)	\$ 7,262	\$ 9,050	\$ 5,600	\$ 5,090	

Key Observations:

- (1) The City's self-insured risk activities are essentially being funded on a "pay-as-you-go" basis.
- (2) The Risk Funds fund deficit as a % of total general fund balance decreased from 2013-2014, and increase from 2015-2017.
- (3) The net OPEB obligation has increased annually from 2013-2017, after accounting rules changed to require governments to reflect the liability beginning in 2008.
- (4) The City's unfunded landfill closure and post-closure liability increased slightly in 2014, decreased in 2015 and has increased during 2016 and 2017.
- (5) New accounting rules, GASB Statement Number 68, required the City to accrue a liability on its financial statements for its unfunded pension benefit obligation. Implementation of GASB 68 was adopted during the fiscal year ending September 30, 2015

Commitment to Promote Ethical and Professional Excellence

We are committed to promoting ethical and professional excellence. To advance this commitment, we have put in place a phone and internet-based hotline system.

The Ethics Hotline (1.866.739.4134) provides individuals a means to call and report ethical concerns.

The EthicsPoint URL link can be accessed from our external website or through this link:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191

Disclaimer: EthicsPoint is not intended to act as a substitute for a company's "whistleblower" obligations.



Audit Wrap Up Presentation

Accounting Updates



Selected pronouncements effective for the year ending September 30, 2017:

Pronouncement	Effective Date
<p>Effective for FY17:</p> <p><u>GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provision of GASB Statements 67 and 68</u></p> <p>This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contributions pensions that are not within the scope of GASB 68. It also amends certain provisions of GASB 67 and GASB 68 for pension plans and pensions that are within their respective scopes.</p>	Fiscal Year 2017
<p><u>GASB 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans</u></p> <p>This Statement replaces GASB 43, as amended, and GASB 57. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in GASB 25, as amended, GASB 43, and GASB 50.</p>	Fiscal Year 2017
<p><u>GASB 77 – Tax Abatement Disclosures</u></p> <p>This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: Brief descriptive information, such as the tax being abated, the authority under which tax abatement are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; The gross dollar amount of taxes abated during the period; and Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.</p>	Fiscal Year 2017

Selected pronouncements effective for the year ending September 30, 2017:

Pronouncement	Effective Date
<p>Effective for FY17:</p> <p><u>GASB 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans</u> This Statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local government employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).</p>	Fiscal Year 2017
<p><u>GASB 80 – Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14</u> This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporate as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB 39.</p>	Fiscal Year 2017
<p><u>GASB 82 – Pension Issues</u> This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.</p>	Fiscal Year 2017

Selected pronouncements effective for the year ending September 30, 2018:

Pronouncement	Effective Date
<p>Effective for FY18:</p> <p><u>GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</u></p> <p>The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).</p> <p>This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.</p> <p><u>GASB 86 – Certain Debt Extinguishment Issues</u></p> <p>Provides guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.</p>	<p>Fiscal years beginning after June 15, 2017</p> <p>Fiscal years beginning after June 15, 2017</p>

Selected pronouncements effective for the year ending September 30, 2018:

Pronouncement	Effective Date
<p>Effective for FY18:</p> <p><u>GASB 85 – Omnibus 2017</u></p> <p>This statement address a variety of topics including issues related to:</p> <ul style="list-style-type: none">- Blending component units: for a primary government that is a business-type activity and uses a single column for financial statement presentation, a component unit may be blended only if the component unit meets a criterion for blending in paragraph 53 of Stmt 14.- Fair value measurement and application: Real estate held by insurance entities should be classified either as an investment or a capital asset. The money market investments and participating interest-earning investment contracts described in paragraph 69c of Statement 72 may be measured at amortized cost to the extent permitted by paragraph 9 of Statement 31.- OPEB: In FS prepared using the current financial resources measurement focus, liabilities to employees for defined benefit pensions of OPEB should be measured as of the end of the reporting period. Update to the measurement of on-behalf payments. "Measure of payroll" required by paragraph 36 of Statement 74 should be covered payroll. Employer-paid member contributions should be classified as plan member contributions. Modifications to the alternative measurement method. Modifications for multiple-employer defined benefit OPEB plans.	<p>Fiscal years beginning after June 15, 2017</p>

Selected pronouncements effective for the year ending September 30, 2019 or 2020:

Pronouncement	Effective Date
<p>Effective for FY19 or FY20:</p> <p><u>GASB 83 – Certain Asset Retirement Obligations</u> This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities</p> <p><u>GASB 84 – Fiduciary Activities</u> This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.</p> <p>This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.</p>	<p>Fiscal years beginning after June 15, 2018</p> <p>Fiscal years beginning after December 15, 2018</p>

Selected pronouncements effective for the year ending September 30, 2020:

Pronouncement	Effective Date
<p>Effective for FY20:</p> <p><u>GASB 87 – Leases:</u></p> <p>The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.</p>	<p>Fiscal years beginning after December 15, 2019</p>

This communication is intended solely for the information and use of management and the Government Performance and Financial Management Committee of the City of Dallas and is not intended to be and should not be used by anyone other than these specified parties.



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Memorandum



CITY OF DALLAS

DATE April 12, 2018

Honorable Members of the Government Performance & Financial Management
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **FY 2017-18 Appropriation Adjustments**

On Monday, April 16, 2018, the Office of Budget will brief the Government Performance & Financial Management Committee on FY 2017-18 Appropriation Adjustments. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c:	Honorable Mayor and Members of the City Council T.C. Broadnax, City Manager Larry Casto, City Attorney Craig D. Kinton, City Auditor Billerae Johnson, City Secretary (Interim) Daniel F. Solis, Administrative Judge Kimberly Bizzor Tolbert, Chief of Staff to the City Manager Majed A. Al-Ghafry, Assistant City Manager	Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager Jo M. (Jody) Puckett, Assistant City Manager (Interim) Nadia Chandler Hardy, Chief of Community Services Raquel Favela, Chief of Economic Development & Neighborhood Services Theresa O'Donnell, Chief of Resilience Directors and Assistant Directors
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FY 2017-18 Appropriation Adjustments

April 16, 2018

**Elizabeth Reich
Chief Financial Officer**

**Jack Ireland, Director
Office of Budget**

**Janette Weedon, Assistant Director
Office of Budget**



Purpose

- Background
- Overview of FY 2017-18 budget ordinance amendments
- Fund balance and Financial Management Performance Criteria (FMPC) Reserve requirements
- Recommendation and next steps

Background

- Annual appropriation ordinance approved by City Council establishes appropriations
(City Charter Chapter XI, Sec. 3)
- City Council may transfer appropriations between departments, division, or purpose
(City Charter Chapter XI, Sec. 4)
- City Council may appropriate excess revenue
(City Charter Chapter XI, Sec. 5)
- City Charter does not allow for expenditure of City funds without sufficient appropriation
(City Charter Chapter XI, Sec. 6)

Background

- City Council adopted the FY 2017-18 Operating, Grants/Trust, and Capital budgets ordinance on September 20, 2017
 - Budget has been amended several times by City Council action
 - Additional amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through September 30, 2018

Background

- Common reasons for appropriation amendments include:
 - Unanticipated event
 - New initiative or need identified during fiscal year
 - Additional revenue used to offset additional related expenditures

Background

- Management:
 - Closely monitors revenues and expenditures throughout the fiscal year
 - Communicates the financial position to City Council in the monthly Financial Forecast Report (FFR)
 - Provides quarterly FFR briefings to Government Performance and Financial Management Committee
 - Seek City Council approval for amendments

Budget Ordinance Amendment

- Ordinance amendment reflects:
 - Appropriation adjustments previously approved by City Council
 - Salary and Benefit Reserve transfers
 - Adjustments to address potential over-runs
 - Appropriate excess revenue
 - Enterprise and Other funds revenue and expenditure increases
 - Grant and Trust funds revenue and expenditure increases
 - Capital appropriation adjustments

Budget Ordinance Amendment

Ordinance amendment reflects appropriation adjustments previously approved by City Council

- 1) 10/11/17 – Increase the City Secretary’s Office budget and decrease the Office of Management Services (Public Affairs and Outreach) for oversight and responsibility of the open records function (\$265,000)
- 2) 10/25/17 - Increase in appropriation for Regional Assessment of Fair Housing using revenue from participating jurisdictions (\$120,000)
- 3) 11/8/17 - Use of contingency reserve for the Office of Cultural Affairs for emergency flood remediation and related repairs at the Dee and Charles Wyly Theatre (\$139,000)

Budget Ordinance Amendment

Ordinance amendment reflects appropriation adjustments previously approved by City Council

- 4) 01/17/18 - Use of contingency reserve to appropriate funds for the Dallas County Schools Crossing Guard payroll (\$1.6 million) and transfer Child Safety funds held by the Dallas Police Department (\$759,000)
- 5) 02/14/18 - Increase in appropriation for the Office of Cultural Affairs to support the Dallas Cultural Plan (\$303,000)
- 6) 03/28/18 - Use of contingency reserve for the Office of Cultural Affairs for emergency flood remediation and related repairs at the Dee and Charles Wyly Theatre (\$189,000)

Budget Ordinance Amendment

- The budget ordinance authorizes the City Manager to transfer appropriations from Salary and Benefit (S&B) Reserve to any individual department or activity in the General Fund to be used for salaries and benefits (Sec.3.(2))
- S&B reserve appropriation totals \$2.65 million and (\$655,000) has been transferred to the following departments/divisions:
 - Park & Recreation
 - Housing
 - Equipment & Building Services
 - City Manager's Office
 - City Controller's Office
 - Ethics & Diversity
 - Mayor & Council
 - City Agenda Office

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Budget Ordinance Amendment

- Ordinance amendment includes General Fund appropriation adjustment **requests** to address potential over-runs based on February Financial Forecast Report (FFR)
 - Decrease Non-Departmental – master lease costs projected less than budget (\$294,000)
 - Increase Housing & Neighborhood Revitalization – caseworker for the High Impact Landlord initiative and additional home expenses for the home repair program - \$165,000
 - Increase 311 Customer Service – higher than expected usage of the Language Line, a third-party vendor used to translate calls - \$60,000
 - Increase Office of Community Care – contract temporary help, overtime, and building maintenance - \$68,000

Budget Ordinance Amendment

- Ordinance amendment includes General Fund appropriation adjustment **requests** to appropriate excess revenue as allowed by City Charter Chapter XI, Sec. 5
- Excess revenue is forecast in the following areas and is available to be appropriated
 - \$1.3 million due to Dallas Fire Rescue – Ambulance Supplemental Payment Program
 - \$0.8 million due to reimbursement from Atmos Energy
 - \$1.6 million due to current year property tax, penalties, and interest trending above average
- Increase Dallas Fire Rescue budget by \$3.7 million

Budget Ordinance Amendment

- Appropriation adjustments within Enterprise and Internal Service Funds are supported by increased revenues or available fund balances, and are **requested** as follows:
 - Sanitation (\$2.1 million)
 - 9-1-1 System Operations (\$1.7 million)
 - Convention and Event Services (\$1.6 million)
 - Equipment Services (\$1.8 million)

Budget Ordinance Amendment

- Appropriation adjustments within grants, trust, and other funds are supported by additional revenues that have become available during the fiscal year or available fund balance and are **requested** as follows: (15 funds included)
 - Dallas Animal Services – funds to be used for shelter, equipment, and operations related expenses (\$625,000)
 - Office of Management Services - Bureau of Justice Assistance grants (\$8,000) and School Crossing Guard Donations fund (\$3,000)
 - Library – funds to be used to support exhibition titled “Texas Czechs: Rooted in Tradition” (\$1,000)
 - Economic Development – funds to be used to support the Clean Energy Program (\$195,000)
 - Dallas Police Department – funds to be used to reimburse overtime for sworn officers (\$967,000) and donations (\$237,000)

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Budget Ordinance Amendment

- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council, new appropriation request, and transfers between funds
- **Request** authorization for the following (Appendix B):
 - Include nine projects whose appropriations were approved by the City Council since October 1, 2017 – total \$60.6 million
 - Aviation transfer between capital funds– total \$475,000
 - Increase annual appropriations for five Tax Increment Financing district funds – total \$10.6 million

Fund Balance

- Fund balance represents the difference between fund's assets and liabilities and serves as measure of available resources in fund
 - Reported annually in City's Comprehensive Annual Financial Report (CAFR)
 - Adjusted each year by difference between revenues and expenditures
 - The City's Financial Management Performance Criteria includes fund balance reserve requirements

Fund Balance

- FMPC is evaluated for compliance during budget preparation, mid-year, year-end, and for each debt issuance
- Council periodically reviews and updates criteria
 - Most recent changes approved by City Council on December 13, 2017
- The City maintains four criteria related to fund balance
 1. Unassigned fund balance (Criteria 2)
 2. Contingency Reserve (Criteria 3)
 3. Emergency Reserve (Criteria 4)
 4. Risk Reserve (Criteria 5)

FMPC Reserve Requirements

Requirement	Status or Compliance*
FMCP #2: The unassigned fund balance of the General Fund, which includes the Emergency and Contingency Reserves, shall be maintained at a level not less than 40 days of General Fund operating expenditures less debt service. (The Risk Reserve is not included in this calculation.)	In Compliance <ul style="list-style-type: none"> • Total unassigned fund balance: \$182.4 million • 52.1 days of General Fund operating expenditures
FMPC #3: The Contingency Reserve, a component of unassigned fund balance, shall be used to provide for unanticipated needs that arise during the year. Funds shall be allocated from the Contingency Reserve only after an analysis has been prepared by the City Manager and presented to City Council. These funds will be used prior to use of the Emergency Reserve. Funds shall be allocated each year in the budget process to replace any use of contingency reserve during the preceding fiscal year to maintain the balance of contingency reserve at a level ranging from ½% to 1% of budgeted departmental expenditures.	In Compliance <ul style="list-style-type: none"> • Contingency Reserve - \$9.4 million • Represents 0.74% of budgeted departmental expenditures

* Based on FY 2017-18 Amended Budget

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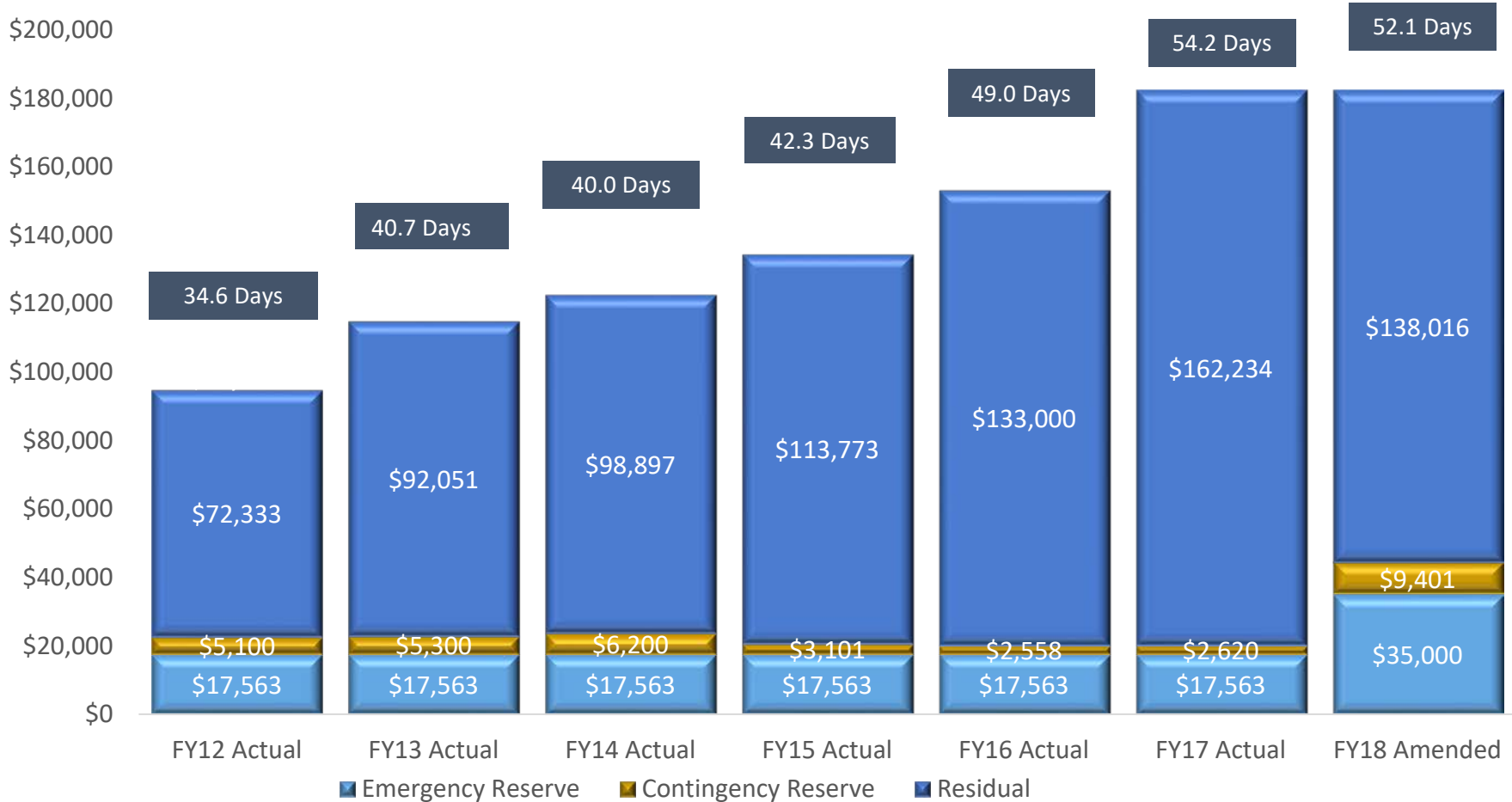
FMPC Reserve Requirements

Requirement	Status or Compliance*
FMCP #4: The Emergency Reserve, a component of unassigned fund balance, shall be used to provide for temporary financing of unanticipated or unforeseen extraordinary needs of an emergency nature or calamity, a 5% decline in property values, or unexpected liability created by Federal or State legislative action. Management shall designate up to 20 percent of the General Fund's projected unassigned fund balance but not less than \$25 million to the Emergency Reserve.	In Compliance <ul style="list-style-type: none"> Emergency Reserve - \$35 million
FMPC #5: The Risk Reserve, is a component of assigned fund balance to be used for a specific purpose. The Risk Reserve shall be maintained at a level, which, together with purchased insurance policies, adequately protects the City's assets against loss. An analysis shall be conducted every three years or when the deductible level of the City's property insurance is modified (whichever is earlier), to determine the appropriate level of this reserve.	In Compliance <ul style="list-style-type: none"> Risk Reserve - \$1.25 million

* Based on FY 2017-18 Amended Budget

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FMPC Reserve Requirements



Recommendation and Next Steps

- Staff recommends amending the Operating and Capital Budgets' Appropriations Ordinance as requested
- Seek City Council approval of the attached amendments on April 25
- Continue monthly review of revenue and expenditures and recommend additional adjustments in September 2018 if necessary

FY 2017-18 Appropriation Adjustments

April 16, 2018

**Elizabeth Reich
Chief Financial Officer**

**Jack Ireland, Director
Office of Budget**

**Janette Weedon, Assistant Director
Office of Budget**



Appendix A

Budget ordinance approved by City Council on September 20, 2017 with requested adjustments indicated with underline and strikethrough.



**FOR DISCUSSION
PURPOSES ONLY**

4-12-18

ORDINANCE NO. _____

**AMENDING THE OPERATING AND CAPITAL BUDGETS' APPROPRIATIONS
ORDINANCE**

An ordinance amending Ordinance No. 30651 (2017-18 FY Operating and Capital Budgets' Appropriations Ordinance), as amended by Ordinance No. 30752, to make certain adjustments for the fiscal year 2017-18 for the maintenance and operation of various departments and activities and to fund appropriations for fiscal year 2017-18 for public improvements to be financed from bonds and other revenues of the City of Dallas and to authorize the city manager to implement those adjustments; appropriating funds for public improvements to be financed from bond funds and other revenues of the city of Dallas for fiscal year 2017-18; providing a saving clause; and providing an effective date.

WHEREAS, on September 20, 2017, the city council passed Ordinance No. 30651, which adopted the operating and capital budgets' appropriations ordinance for fiscal year 2017-18; and

WHEREAS, on January 24, 2018, the city council passed Ordinance No. 30752, which amended Ordinance No. 30651 by adding capital funds to fund appropriations for fiscal year 2017-18; and

WHEREAS, shortages and excesses in various departments and activity appropriations have created a need to adjust those appropriations; and

WHEREAS, the city council authorizes in accordance with Chapter XI, Section 4, of the Dallas City Charter to transfer an unencumbered balance of an appropriation made for the use of

**FOR DISCUSSION
PURPOSES ONLY**

one department, division, or purpose to any other department, division, or purpose, upon the written recommendation of the city manager; and

WHEREAS, the city council is authorized in accordance with Chapter XI, Section 5, of the Dallas City Charter to appropriate, from time to time, excess revenues of the city to such uses as will not conflict with any uses for which such revenues specifically accrued; Now, Therefore,

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

SECTION 1. That the city manager is hereby authorized to increase the general fund operating revenue appropriation budget by \$3,819,563 from \$1,278,693,325 to \$1,282,512,888 due to additional one-time revenue.

SECTION 2. That Section 1 of Ordinance No. 30651 (2017-18 FY Operating And Capital Budgets' Appropriations Ordinance), passed by the city council on September 20, 2017, is amended by making adjustments to fund appropriations for fiscal year 2017-18 for maintenance and operation of various departments and activities, to read as follows:

“SECTION 1. That for the purpose of providing the funds to be expended in the budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018, the available revenues of the city of Dallas are hereby appropriated for the maintenance and operation of the various city departments and activities as follows:

DEPARTMENTS AND ACTIVITIES

**PROPOSED
2017-18**

Building Services	<u>28,667,529</u> [28,590,583]
City Attorney's Office	16,788,175
City Auditor's Office	3,360,043
City Manager's Office	<u>2,344,267</u> [2,266,902]
City Secretary's Office	** <u>2,488,913</u> [2,223,547]

<p align="center">FOR DISCUSSION PURPOSES ONLY</p>

Civil Service	3,080,815
Code Compliance	30,438,826
City Controller's Office	<u>5,379,331</u> [5,351,812]
Court and Detention Services	11,627,393
Dallas Animal Services	14,007,159
Elections	143,780
Fire	<u>270,726,909</u> [267,026,909]
Housing and Neighborhood Revitalization	<u>4,010,682</u> [3,668,283]
Human Resources	5,234,618
Independent Audit	891,157
Jail Contract – Lew Sterrett	8,484,644
Judiciary	3,454,079
Library	31,279,877
Mayor and Council	<u>4,827,575</u> [4,820,561]
Non-Departmental	<u>77,029,345</u> [77,323,336]
Office of Cultural Affairs	*** <u>20,899,767</u> [20,268,063]
Office of Budget	3,406,338
Office of Economic Development	4,840,594
Office of Management Services	* <u>29,020,965</u> [26,611,693]
Park and Recreation	<u>98,269,651</u> [98,005,546]
Planning and Urban Design	2,911,297
Police	**** <u>464,648,484</u> [465,522,805]
Procurement Services	2,389,442
Public Works	73,137,927
Sustainable Development and Construction	1,656,869
Transportation	<u>44,440,574</u> [44,325,574]
Trinity Watershed Management	1,302,754
Contingency Reserve	4,686,875
Salary and Benefits Reserve	<u>1,993,568</u> [2,650,000]
Liability/Claims Fund	4,642,666

* A decrease to \$26,346,327 was previously approved by Resolution No. 17-1608, an increase to \$26,465,890 was previously approved by Resolution No. 17-1652, and an increase to \$28,865,890 was previously approved by Resolution No. 18-0125.

** An increase to \$2,488,913 was previously approved by Resolution No. 17-1608.

*** An increase to \$20,407,467 was previously approved by Resolution No. 17-1735, an increase to \$20,710,467 was previously approved by Resolution No. 18-0282, and an increase to \$20,899,767 was previously approved by Resolution No. 18-0442.

****A decrease to \$464,763,484 was previously approved by Resolution No. 18-0125.

GENERAL FUND TOTAL	<u>\$1,282,512,888</u> [1,276,420,942]
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<p align="center">FOR DISCUSSION PURPOSES ONLY</p>

<u>GRANT FUNDS</u>	<u>PROPOSED 2017-18</u>
<u>Management Services</u>	
Bureau of Justice Assistance Grant 13-14 (TR14)	258
Bureau of Justice Assistance Grant 14-15 (TR15)	<u>2,806</u> [98]
Bureau of Justice Assistance Grant 15-16 (TR16)	<u>5,006</u> [805]
Fair Housing FHAP Award 12-13 (F368)	10,166
Fair Housing FHAP Award 13-14 (F406)	3,008
Target Community Preparedness (P113)	5,050
<u>School Crossing Guard Donations Fund</u>	<u>3,006</u>
 GRANT FUNDS TOTAL	 <u>\$29,300</u> [49,385]

<u>TRUST AND OTHER FUNDS</u>	<u>PROPOSED 2017-18</u>
<u>Communication and Information Services</u>	
Information Technology Equipment (0897)	700,000
 <u>Convention and Event Services</u>	
Convention Center Hotel Tax Rebate Fund (0756)	10,907,600
 <u>Dallas Animal Services</u>	
Animal Control Enhancement (0898)	<u>257,200</u> [150,000]
City Animal Control Facility (1P46)	3,940
K. Robinson Animal Shelter (0303)	14,155
Ivor O'Connor Morgan Trust (0320)	<u>57,960</u>
Dallas Animal Welfare Fund (0711)	4,970
Animal Services On-Line Donations (0714)	<u>7,719</u>
Animal Control Enhancement 87D (0878)	<u>236,138</u>
Animal Services Operation Support (0883)	<u>43,809</u>
 <u>Court and Detention Services</u>	
Law Enforcement Office Standards and Education (S104)	5,681
 <u>Equipment and Building Services</u>	
Fitness Center Fund (0323)	252,365
 <u>Housing and Neighborhood Revitalization</u>	

<p>FOR DISCUSSION PURPOSES ONLY</p>
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Energy Emergency Assistance Fund (0312)	534,185
<u>Library</u>	
Edmond and Louise Kahn E. Trust (0208)	267,999
Hamon Trust Fund (0458)	7,781
<u>Humanity Texas 2018 (F546)</u>	<u>1,000</u>
Meadows Foundation (0734)	17,453
<u>Office of Cultural Affairs</u>	
Majestic Theatre Gift and Trust Fund (0338)	443,084
OCA Hotel Occupancy Tax (0435)	1,558,265
<u>Office of Economic Development</u>	
Dallas Housing Finance Corporation (0068)	137,595
Economic Development Sales Tax Rebate Program (0680)	65,000
New Market Tax Credit (0065)	216,305
South Dallas/Fair Park Trust Fund (0351)	1,168,769
<u>Clean Energy Program (0750)</u>	<u>195,489</u>
<u>Park and Recreation</u>	
Community Fund – Park Recreation Centers (0979)	2,601
Craddock Park Expense Trust (0340)	8,245
Fair Park Improvement Fund (0448)	436,386
Fair Park Marketing (0G43)	71,006
Fair Park Special Maintenance (0329)	98,662
Ford Found Innovative Program (0T14)	977
Golf Improvement Trust (0332)	1,900,757
Junior Golf Program (0359)	962
Mowmentum Park Improvement (0T80)	39,047
Outdoor Programs (0469)	92,790
P & R Athletic Field Maintenance (0349)	283,890
Park and Rec Beautification (0641)	149,790
PKR Program Fund Tracking (0395)	501,996
Recreation Program (0341)	907,683
Southern Skates (0327)	146,677
White Rock Endowment (0354)	11,979
W.W. Samuell Park Trust (0330)	763,167
<u>Planning and Urban Design</u>	
Neighborhood Vitality Project Fund (0297)	100,000
<u>Police</u>	
Confiscated Monies - Federal (0412)	1,253,618
Confiscated Monies - Federal (0436)	2,657,822

<p align="center">FOR DISCUSSION PURPOSES ONLY</p>

Confiscated Monies – State (0411)	940,000
<u>Donations (0321)</u>	<u>236,524</u>
Law Enforcement Officer Standard Education (0S1N)	340,411
Police Training Reimbursement Fund (0699)	70,877
Various Task Forces (0T69)	<u>967,468</u> [600,000]
 <u>Sustainable Development and Construction</u>	
NAS Redevelopment Fund (0022)	391,671
 <u>Transportation</u>	
Freeway Traffic Signals (0670)	325,000
 TRUST AND OTHER FUNDS TOTAL	<u>\$29,804,468</u> [28,528,096]
 GRANT, TRUST AND OTHER FUNDS GRAND TOTAL	<u>\$29,833,768</u> [28,547,481]

	<u>PROPOSED</u>
<u>ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS</u>	<u>2017-18</u>
Aviation	
Airport Operations	126,667,632
Transportation Regulation	360,773
Communication and Information Services	
Information Technology	70,242,680
Radio Services	4,823,063
Convention and Event Services	<u>99,371,106</u> [97,787,266]
Employee Benefits	
Benefits Administration	1,025,595
Wellness Program	351,225
Equipment Services	***** <u>54,417,268</u> [52,652,059]
Express Business Center	3,740,420
Risk Management	3,625,525
Sanitation Services	<u>104,419,917</u> [102,279,097]
Storm Water Drainage Management	55,936,837
Sustainable Development and Construction	32,376,190
Water Utilities	667,471,388
WRR - Municipal Radio	2,051,318
911 System Operations	<u>16,748,378</u> [15,048,378]

***** An increase to \$53,127,268 was previously approved by City Council on April 11, 2018.

ENTERPRISE/INTERNAL SERVICE/

**FOR DISCUSSION
PURPOSES ONLY**

OTHER FUNDS TOTAL

\$1,243,629,315 [1,236,439,446]"

SECTION 3. That Section 9 of Ordinance No. 30651 (2017-18 FY Operating and Capital Budgets' Appropriations Ordinance), passed by the city council on September 20, 2017, as amended by Ordinance No. 30752, passed by the city council on January 24, 2018, is amended by adding capital funds to fund appropriations for fiscal year 2017-18 to read as follows:

“SECTION 9. (a) That the following amounts are hereby appropriated from the funds indicated for projects listed in the FY 2017-18 capital budget:

CAPITAL FUNDS

From the Acquisition of Land in the Cadillac Heights Area for Future Location of City Facilities Fund (4T11)	12,549,000
From the Aviation Capital Construction Fund (0131)	* <u>34,355,361</u> [28,710,691]
From the Capital Construction Fund (0671) for City and Cultural Facilities	6,000,000
<u>From the Capital Projects Reimbursement Fund (0556)</u>	<u>**6,582,861</u>
From the City Center Tax Increment Financing District Fund (0035)	6,067,628
From the City Hall, City Service and Maintenance Facilities Fund (1V60)	2,684,400
From the Convention Center Capital Construction Fund (0082)	11,462,329
From the Cultural Arts Facilities Fund (1V49)	2,760,000
From the Cypress Waters Tax Increment Financing District Fund (0066)	1,409,340
<u>From the Davis Garden Tax Increment Financing Fund (0060)</u>	<u>885,082</u>

FOR DISCUSSION PURPOSES ONLY

From the Deep Ellum Tax Increment Financing District Fund (0056)	1,600,000
<u>From the Design District Tax Increment Financing Fund (0050)</u>	<u>7,323,093</u>
From the Downtown Connection Tax Increment Financing District Fund (0044)	12,106,751
From the Economic Development Fund (1V52)	2,000,000
From the Fair Park Improvements Fund (1V02)	8,950,000
From the Farmers Market Tax Increment Financing District Fund (0036)	2,000,000
From the Flood Protection and Storm Drainage Facilities Fund (1V23)	3,379,200
From the Fort Worth Avenue Tax Increment Financing District Fund (0058)	1,094,406
From the Homeless Assistance Facilities Fund (1V43)	500,000
From the Library Facilities Fund (1V42)	7,500,000
From the Maple/Mockingbird Tax Increment Financing District Fund (0064)	2,930,899
From the Oak Cliff Gateway Tax Increment Financing District Fund (0034)	1,010,023
From the Park and Recreation Facilities Fund (1V00)	74,837,648
From the Public/Private Partnership Fund (0352)	8,279,024
From the Public Safety Facilities Fund (1V33)	3,561,000
From the Resurfacing and Reconstruction Improvements Fund (0717)	4,100,000
<u>From the Skillman Corridor Tax Increment</u>	

FOR DISCUSSION PURPOSES ONLY

<u>Financing District Fund (0052)</u>	<u>2,488,379</u>
From the Sports Arena Tax Increment Financing District (0038)	<u>6,714,699</u> [6,556,229]
From the Transit Oriented Development Tax Increment Financing Fund (0062)	<u>301,640</u> [485,965]
From the Storm Water Drainage Management Capital Construction Fund (0063)	8,272,053
From the Flood Protection and Storm Drainage Facilities Fund (2U23)	8,320,720
From the Street and Alley Improvement Fund (0715)	20,400,373
From the Street and Transportation Improvement Fund (4T22) (<u>2006 GO Bond Program</u>)	512,986
From the Street and Transportation Improvement Fund (4U22) (<u>2012 GO Bond Program</u>)	29,387,120
From the Street and Transportation Improvement Fund (1V22) (<u>2017 GO Bond Program</u>)	49,539,869
From the Vickery Meadow Tax Increment Financing District Fund (0048)	2,000,000
From the Wastewater Capital Construction Fund (0103)	15,145,000
From the Wastewater Capital Improvement Fund (2116)	94,500,000
From the Wastewater Capital Improvement Fund (3116)	34,000,000
From the Water and Wastewater Public Art Fund (0121)	71,250
From the Water Capital Construction Fund (0102)	35,958,750
From the Water Capital Improvement Fund (2115)	59,000,000
From the Water Capital Improvement Fund (3115)	48,125,000

**FOR DISCUSSION
PURPOSES ONLY**

From the 2018 Master Lease – Equipment
Fund (ML18)

***72,916,232 [~~24,500,000~~]

From the 2018 Master Lease – Sanitation Equipment
Fund (MLS1)

5,500,000

CAPITAL FUNDS TOTAL

\$719,082,117 [~~647,767,655~~]

**Increase was previously approved by Resolutions No. 18-0327, 18-0328, and 18-0329.*

***Increase was previously approved by Resolutions No. 17-1650, 17-1893, 17-1911, and 18-0186.*

****Increase was previously approved by Resolution No. 17-1912.*

(b) That the following amounts are hereby appropriated from the funds indicated for payment of the FY 2017-18 Debt Service Budget:

DEBT SERVICE FUNDS

General Obligation Debt Service Fund (0981)

267,322,998

DEBT SERVICE FUNDS TOTAL

\$267,322,998

(c) That these appropriations and all previous appropriated funds for these projects remain in force until each project is completed or terminated.

(d) That the appropriations listed in Subsections (a) and (b) may be increased by the city council upon the recommendation of the city manager.”

SECTION 4. That Section 12 of Ordinance No. 30651 (2017-18 FY Operating and Capital Budgets’ Appropriations Ordinance), passed by the city council on September 20, 2017, as amended by Ordinance No. 30752, passed by the city council on January 24, 2018, is amended to add the following:

“(17) Transfer funds, not to exceed \$475,116, from the Passenger Facilities Charge (PFC) Fund 0477, to the Aviation Capital Construction Fund (0131).”

**FOR DISCUSSION
PURPOSES ONLY**

SECTION 5. That it is the intent of the city council, by passage of this ordinance, to appropriate funds for the city departments and activities. No office or position is created by the appropriations.

SECTION 6. That Ordinance No. 30651 and 30752 will remain in full force and effect, save and except as amended by this ordinance.

SECTION 7. That this ordinance will take effect immediately from its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly ordained.

APPROVED AS TO FORM:

LARRY E. CASTO, City Attorney

By _____
Assistant City Attorney

Appendix B

- Capital Budget Amendments

FY 2017-18 MID-YEAR CAPITAL BUDGET AMENDMENT 04-25-2019

DESCRIPTION	PREVIOUS RESOLUTION OR EXPLANATION	DEPT	FUND NAME	CURRENT	CHANGE	AMENDED
Runway 31R Glideslope Relocation Project Construction	No. 18-0327 dated February 28, 2018	AVI	Aviation Capital Construction Fund		\$4,719,889	
Runway 31R Glideslope Relocation Project Engineering & Support	No. 18-0328 dated February 28, 2018	AVI	Aviation Capital Construction Fund		\$449,665	
Runway 31R Glideslope Relocation Project Construction Admin.	No. 18-0329 dated February 28, 2018	AVI	Aviation Capital Construction Fund		\$475,116	
Unit E384 Citywide Radio System Replacement	No. 17-1912 dated December 13, 2017	DSV	2018 Master Lease-Equipment Fund		\$48,416,232	
Unit P776 P25 Radio Project	No. 17-1911 dated December 13, 2017	DSV	Capital Projects Reimbursement Fund		\$523,632	
Unit P838 Fort Worth Avenue from Sylvan to West Commerce	No. 17-1893 dated December 13, 2017	PBW	Capital Projects Reimbursement Fund		\$2,000,000	
Unit S402 LBJ Freeway/Skillman St. Interchange	No. 18-0186 dated January 24, 2018	PBW	Capital Projects Reimbursement Fund		\$3,996,440	
Unit W228 Kiest Blvd. & Ledbetter Dr. Intersection	No. 17-1650 dated October 25, 2017	TRN	Capital Projects Reimbursement Fund		\$23,204	
					<u>\$60,604,177</u>	
Runway 31R Glideslope Project Construction Admin	Upon FAA approval, transfer funds to capital construction fund	AVI	Passenger Facility Charge (PFC) Fund		(\$475,116)	
		AVI	Aviation Capital Construction Fund		\$475,116	
					<u>\$0</u>	
Supplemental Agreement #2 - Unit L194 Dolphin Rd	AA dated December 20, 2017/PBW request	PBW	Capital Projects Reimbursement Fund		\$39,586	
					<u>\$39,586</u>	
Davis Garden TIF	Correction	ECO	Davis Garden TIF Fund	\$0	\$885,082	\$885,082
Design District TIF	Correction	ECO	Design District TIF Fund	\$0	\$7,323,093	\$7,323,093
Skillman Corridor TIF	Correction	ECO	Skillman Corridor TIF District Fund	\$0	\$2,488,379	\$2,488,379
Sports Arena TIF	Correction	ECO	Sports Arena TIF Fund	\$6,556,229	\$158,470	\$6,714,699
Transit-Oriented Development TIF	Correction	ECO	Transit Oriented Development TIF Fund	\$485,965	(\$184,325)	\$301,640
				<u>\$7,042,194</u>	<u>\$10,670,699</u>	<u>\$17,712,893</u>
TOTAL CAPITAL BUDGET				<u>\$647,767,655</u>	<u>\$71,314,462</u>	<u>\$719,082,117</u>

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Memorandum



CITY OF DALLAS

DATE April 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2017-18 Financial Forecast Report**

Please find attached the Financial Forecast Report based on information through February 2018.

We currently forecast General Fund revenues will exceed expenses at the end of the fiscal year by \$4.8 million. Revenues are forecast to be \$6.1 million above budget primarily due to property taxes trending above average, Emergency Ambulance revenue from the State, electric and commercial container franchise fees, and a new contract with the State Fair for patrol services. Expenses are forecast to be \$1.3 million above budget due to uniform overtime offset by savings in other departments.

Details related to other budget variances may be found throughout the report. We will continue to closely monitor revenues and expenditures and keep you informed.



for M. Elizabeth Reich
Chief Financial Officer

Attachment

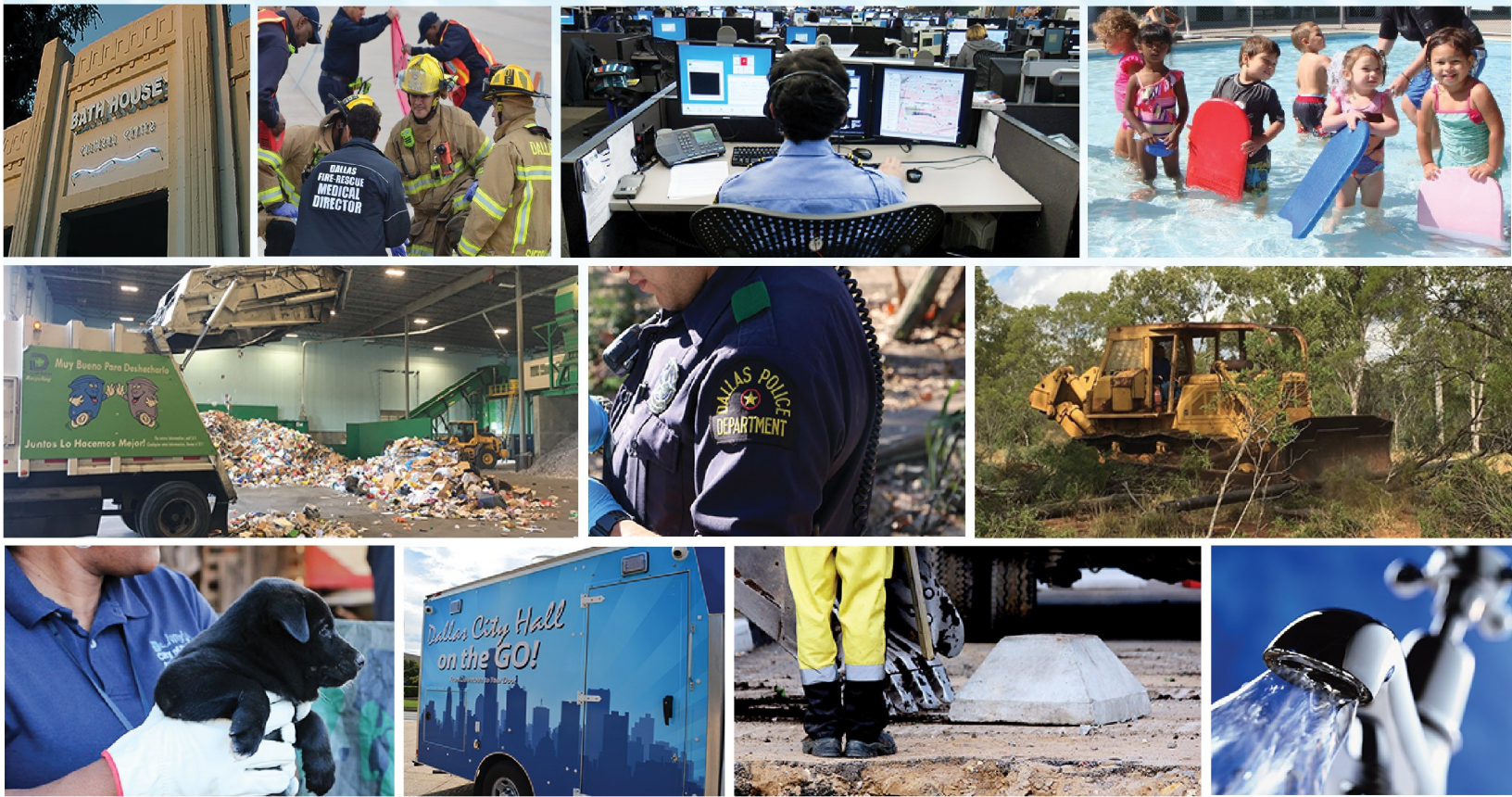
c: T.C. Broadnax, City Manager Larry Casto, City Attorney Craig D. Kinton, City Auditor Billerae Johnson, City Secretary (Interim) Daniel F. Solis, Administrative Judge Kimberly Bizzor Tolbert, Chief of Staff to the City Manager Majed A. Al-Ghafry, Assistant City Manager	Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager Jo M. (Jody) Puckett, Assistant City Manager (Interim) Nadia Chandler Hardy, Chief of Community Services Raquel Favela, Chief of Economic Development & Neighborhood Services Theresa O'Donnell, Chief of Resilience Directors and Assistant Directors
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FY 2017-18 FINANCIAL FORECAST REPORT

Information as of February 28, 2018

SERVICE FIRST



GENERAL FUND OVERVIEW

As of February 28, 2018

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Beginning Fund Balance	\$160,617,192	\$160,617,192	\$160,617,192	\$ 160,617,192	\$0
Revenues	1,276,420,942	1,278,623,588	767,087,089	1,284,713,888	6,090,300
Expenditures	1,276,420,942	1,278,623,588	495,857,096	1,279,897,929	1,274,341
Ending Fund Balance	\$160,617,192	\$160,617,192	\$431,847,185	\$165,433,152	\$4,815,960

SUMMARY

The General Fund overview provides a summary of financial activity through February 28, 2018. The Adopted Budget reflects the budget adopted by City Council on September 20, 2017 effective October 1 through September 30. The Amended Budget column reflects City Council approved transfers between funds and programs and approved use of contingency. The summary includes the beginning fund balance with the year-end revenue and expenditure forecasts. As of February 28, 2018, the beginning fund balance represents the FY 2016-17 unaudited projected ending fund balance and does not reflect additional year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018.

Revenues. Through February 28, 2018, General Fund revenues are projected to be above budget by \$6.1 million primarily due to property taxes trending above average; Emergency Ambulance revenue from the State; electric and commercial container franchise fees; and a new contract with the State Fair for patrol services.

Expenditures. Through February 28, 2018, General Fund expenditures are projected to be over budget by \$1.3 million due to overtime in Dallas Fire Rescue (DFR) offset by savings in other departments. Most departments are under budget as a result of vacancies.

Amendments. The General Fund budget was increased on October 25, 2017 by resolution #17-1652 in the amount of \$120,000 for a Regional Assessment of Fair Housing, on November 8, 2017 by resolution #17-1735 in the amount of \$139,000 to reimburse the AT&T Performing Arts Center (ATTPAC) for emergency flood remediation and repairs at the Dee and Charles Wyle Theatre, on January 17, 2018 by resolution #18-0125 in the amount of \$1,640,000 to continue the operation of the Dallas County Schools school crossing guard program through the end of the current school year, and on February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

GENERAL FUND REVENUES

As of February 28, 2018

Revenue Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Property Tax ¹	\$652,067,958	\$652,067,958	\$633,000,185	\$653,988,652	\$1,920,694
Sales Tax ²	303,349,086	303,349,086	24,860,217	303,514,496	165,410
Franchise & Other ³	135,319,609	135,319,609	65,418,571	136,625,462	1,305,853
Charges for Services ⁴	103,578,036	103,578,036	25,930,689	105,976,017	2,397,981
Fines and Forfeitures ⁵	36,515,082	36,515,082	9,613,498	35,030,028	(1,485,054)
Operating Transfers In ⁶	22,777,865	24,980,511	139,404	24,980,511	0
Intergovernmental	9,548,046	9,548,046	682,058	9,667,709	119,663
Miscellaneous ⁷	6,580,004	6,580,004	3,246,649	7,415,397	835,393
Licenses & Permits	4,668,685	4,668,685	2,792,740	4,701,568	32,883
Interest ⁸	2,016,571	2,016,571	1,403,078	2,814,050	797,479
Total Revenue	\$1,276,420,942	\$1,278,623,588	\$767,087,089	\$1,284,713,888	\$6,090,300

VARIANCE NOTES

General Fund revenue variance notes are provided below for revenue categories with year-end (YE) forecast variances of +/- five percent and revenue with an Amended Budget.

1 Property Tax. Property tax revenues are forecast to be 0.29 percent (\$1,920,000) greater than budget based on current year property tax and penalties and interest trending above average.

2 Sales Tax. Sales tax revenues are forecast to be 0.1 percent (\$165,000) greater than budget based on most recent sales tax receipts. Sales tax receipts have increased by 3.2 percent over the most recent 12 months.

3 Franchise and Other. Franchise and Other revenues are projected to be 0.97 percent (\$1,300,000) over budget primary due to electric and commercial container franchise fees.

4 Charges for Service. Charges for services revenues are forecast to be 2.3 percent (\$2,400,000) greater than budget primarily due to a \$1.3 million increase in the Emergency Ambulance reimbursement revenue from the State and a new agreement signed with State Fair for police patrol services in which FY 2017-18 received revenue for prior years State Fairs (\$1.0 million).

5 Fines and Forfeitures. Fines and forfeitures are projected to be 4.1 percent (\$1,485,000) under budget as a result of a decrease in parking citations issued due to staff turnover in the Parking Management and Enforcement division of Transportation (\$849,000) and an decrease of 8,000 traffic citations over the same time period last year (\$578,000).

6 Operating Transfer In. Operating Transfer In was amended on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wyle Theatre. CR# 18-0125 amended Operating Transfers In (approved use of contingency) on January 17, 2018 to appropriate funds for the Dallas County Schools Dissolution Committee Crossing Guard payroll settlement.

7 Miscellaneous. Miscellaneous revenue is projected to be 12.7 percent (\$835,000) greater than budget primarily due to an \$800,000 anticipated reimbursement from Atmos Energy for the City's support provided to residents affected by the gas emergency.

8 Interest. Interest earned revenues are projected to be 40 percent (\$797,000) over budget based on current trends.

GENERAL FUND EXPENDITURES

As of February 28, 2018

Expenditure Category	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Civilian Pay	\$234,373,044	\$236,552,789	\$87,202,463	\$232,161,678	(\$4,391,111)
Civilian Overtime	6,087,198	6,087,198	3,315,177	8,127,498	2,040,300
Civilian Pension	33,654,027	33,951,878	12,668,239	33,051,453	(900,425)
Uniform Pay	397,751,284	401,698,616	153,998,383	392,635,954	(9,062,662)
Uniform Overtime	32,141,841	32,197,371	19,632,663	45,763,666	13,566,295
Uniform Pension	151,450,013	153,665,564	56,852,596	153,665,564	0
Health Benefits	62,526,985	62,812,518	27,852,293	62,812,518	0
Workers Comp	10,211,638	10,211,638	0	10,211,638	0
Other Personnel Services	10,600,247	10,688,092	3,865,070	10,514,762	(173,330)
Total Personnel Services ¹	938,796,277	947,865,664	365,386,883	948,944,731	1,079,067
Supplies ²	76,688,160	77,667,357	30,260,539	77,272,168	(395,189)
Contractual Services ³	341,963,586	343,388,481	108,150,255	347,949,350	4,560,869
Capital Outlay ⁴	8,000,250	8,329,492	2,639,065	8,923,263	593,771
Reimbursements ⁵	(89,027,331)	(98,627,406)	(10,579,647)	(103,191,583)	(4,564,177)
Total Expenditures	\$1,276,420,942	\$1,278,623,588	\$495,857,096	\$1,279,897,929	\$1,274,341

VARIANCE NOTES

1 Personnel Services. Year-end forecast variance of \$1.1 million is due to greater than budgeted uniform overtime expenses. Uniform overtime YE forecast assumes \$7.3 million for the Dallas Police Department and \$6.2 million for Dallas Fire Rescue. Uniform pension YE forecast equals budget and includes the \$150.7 million contribution required to fund the police and fire pension as enacted by the Texas State Legislature through House Bill 3158, and additional funding for supplemental pension.

2 Supplies. Current year-end forecast is \$395,000 below budget primarily driven by forecasted savings in budgeted uniform clothing expenditures for Dallas Fire Rescue.

3 Contractual Services. Current year-end forecast is \$4.6 million over budget primarily due to:

- \$423,000 Controller's Office due to contract temporary help;
- \$458,000 Court Services due to contract temporary help and credit card charges;
- \$532,000 Dallas Animal Services due to contract temporary help, day labor and copy center charges;
- \$681,000 Public Works due to department support, and equipment rental;
- \$871,000 Code Compliance due to day labor, contract temporary help, disposal services, equipment rental, and department support;
- \$1,106,000 Dallas Fire Rescue unbudgeted increase in emergency ambulance supplement contract payment;
- \$1,000,000 Transportation due to equipment maintenance, equipment rental, and monthly traffic signal modem fees (offset partially by salary savings); and
- (\$1.8 million) savings in Non-Departmental due to a delay in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

VARIANCE NOTES

4 Capital Outlay. Current year-end forecast is \$593,000 over budget due primarily to vehicles purchased by Dallas Animal Services that will be reimbursed by an unbudgeted reimbursement and an approved purchase of a nuisance abatement brush truck using salary savings in Code Compliance.

5 Reimbursements. General Fund reimbursements reflects contributions from various agencies, including federal and state funds, internal service fund departments, and enterprise fund departments. Current year-end forecasts are \$4.6 million greater than budget, primarily due to:

- \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue from the 9-1-1 System Operations Fund;
- \$948,000 greater than budgeted reimbursement to Dallas Fire Rescue from Building Inspections for new construction inspections and Aviation for two full-time paramedics assigned to Love Field Airport;
- \$720,000 reimbursement from a Police Donation Fund for overtime expenses incurred in FY 2016-17 for increased patrols in the Oak Lawn area;
- \$350,000 Dallas Animal Services reimbursement from a special revenue fund for vehicles;
- \$151,000 Courts and Detention Services unbudgeted reimbursement from the City Attorney's Office for three full-time staff dedicated to the Community Courts;
- \$130,000 Park and Recreation greater than budgeted reimbursement for overtime work at Fair Park performed by Facility Services; and
- \$101,000 Office of Cultural Affairs greater than budgeted reimbursement from the Hotel Occupancy Tax Fund.

GENERAL FUND EXPENDITURES

As of February 28, 2018

Expenditure By Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
Building Services	\$28,590,583	\$28,667,529	\$10,468,504	\$28,657,002	(\$10,527)
City Attorney's Office	16,788,175	16,788,175	6,558,156	16,689,962	(98,213)
City Auditor's Office ¹	3,360,043	3,360,043	1,165,044	3,196,112	(163,931)
City Controller's Office	5,351,812	5,379,331	1,998,082	5,351,811	(27,520)
Independent Audit	891,157	891,157	0	891,157	0
City Manager's Office	2,266,902	2,344,267	1,005,556	2,344,267	0
City Secretary ²	2,367,327	2,632,693	994,679	2,629,146	(3,547)
Civil Service	3,080,815	3,080,815	1,133,752	2,990,604	(90,211)
Code Compliance	30,438,826	30,438,826	10,370,393	30,438,826	0
Court Services	11,627,393	11,627,393	4,738,490	11,626,001	(1,392)
Jail Contract	8,484,644	8,484,644	2,828,215	8,484,644	0
Dallas Animal Services	14,007,159	14,007,159	4,912,964	13,957,952	(49,207)
Dallas Fire Department ³	267,026,909	267,026,909	105,609,058	271,272,937	4,246,028
Dallas Police Department ⁴	465,522,805	464,763,484	177,887,458	464,763,484	0
Housing and Neighborhood Services ⁵	3,668,283	3,845,682	1,117,198	4,010,682	165,000
Human Resources	5,234,618	5,234,618	2,156,709	5,125,071	(109,547)
Judiciary	3,454,079	3,454,079	1,423,169	3,445,011	(9,068)
Library	31,279,877	31,279,877	11,806,453	30,776,694	(503,183)
Office of Management Services					
311 Customer Services ⁶	3,509,120	3,509,120	1,572,044	3,569,390	60,270
Center for Performance Excellence ⁷	1,265,811	1,265,811	508,577	1,181,818	(83,993)
Council Agenda Office	224,495	228,355	89,938	228,355	0
EMS Compliance Program ⁸	340,988	340,988	119,974	318,409	(22,579)
Ethics and Diversity	97,631	119,855	8,376	119,855	0
Fair Housing ⁹	278,274	397,837	98,017	397,837	0
Office of Strategic Partnerships ¹⁰	726,947	3,126,947	386,839	3,071,625	(55,322)
Office of Business Diversity ¹¹	793,297	793,297	249,512	693,212	(100,085)
Office of Community Care ¹²	4,932,564	4,932,564	1,427,397	5,001,285	68,721
Office of Emergency Management	715,020	715,020	376,210	715,020	0
Office of Environmental Quality	1,197,487	1,197,487	1,167,561	1,195,270	(2,217)
Office of Homeless Solutions	10,081,328	10,081,328	3,423,137	10,059,433	(21,895)
Public Affairs and Outreach ¹³	1,666,011	1,400,645	466,710	1,400,645	0
Resiliency Office	353,875	353,875	134,746	353,875	0
Welcoming Communities	428,845	428,845	143,490	428,845	0
Mayor and City Council	4,820,561	4,827,575	1,844,253	4,827,575	0
Non-Departmental ¹⁴	77,323,336	77,323,336	3,915,049	75,876,399	(1,446,937)
Office of Budget	3,406,338	3,406,338	1,247,086	3,366,395	(39,943)
Office of Cultural Affairs ¹⁵	20,268,063	20,710,467	8,460,781	20,710,467	0
Office of Economic Development	4,840,594	4,840,594	1,766,424	4,840,594	0
Park and Recreation	98,005,546	98,269,651	36,963,852	98,269,651	0
Planning and Urban Design	2,911,297	2,911,297	1,194,488	2,897,270	(14,027)
Procurement Services ¹⁶	2,389,442	2,389,442	918,927	2,160,996	(228,446)
Public Works	73,137,927	73,137,927	20,797,678	73,004,961	(132,966)
Sustainable Development	1,656,869	1,656,869	1,083,066	1,606,091	(50,778)
Transportation	44,325,574	44,325,574	11,810,438	44,325,430	(144)
Trinity Watershed Management	1,302,754	1,302,754	220,824	1,302,754	0
Total Departments	\$1,264,441,401	\$1,267,300,479	\$446,569,270	\$1,268,574,820	\$1,274,341
Liability/Claim Fund Transfer	4,642,666	4,642,666	0	4,642,666	0
Contingency Reserve	4,686,875	4,686,875	0	4,686,875	0
Salary and Benefit Reserve ¹⁷	2,650,000	1,993,568	0	1,993,568	0
Total Expenditures	\$1,276,420,942	\$1,278,623,588	\$446,569,270	\$1,279,897,929	\$1,274,341

VARIANCE NOTES

General Fund variance notes are provided below for departments with YE forecast variances of +/- five percent, departments with an Amended Budget, and for departments with YE forecast projected to exceed budget.

1 City Auditor's Office. City Auditor's Office expenditures are forecast to be \$164,000 below budget due to salary savings associated with five vacancies.

2 City Secretary. City Secretary Office's budget was increased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred from the Office of Management Services (Public Affairs and Outreach).

3 Dallas Fire Department. Dallas Fire Department expenditures are forecast to be \$4.2 million over budget primarily driven by increased uniform overtime due to higher than expected attrition. Vacation/sick termination pay is also higher than expected due to attrition. Additionally, a budgeted increase in revenue from the Ambulance Supplemental Payment Program caused a corresponding, greater than budgeted increase in billing and consulting fees. These expenses are offset by \$1.7 million greater than budgeted reimbursement from the 9-1-1 System Operations Fund.

4 Dallas Police Department. Dallas Police Department budget was decreased by \$759,000 on January 17, 2018 by CR 18-0125 to reallocate Child Safety Funds held by the Dallas Police Department to Management Services (Office of Strategic Partnerships).

5 Housing and Neighborhood Services. Housing and Neighborhood Services expenditures are forecast to be \$165,000 over budget due to funding for a caseworker for the High Impact Landlord Initiative, additional home repair work at eight Home Repair Program properties and expenses associated with moving support staff from Bexar Street offices back to City Hall.

6 311 Customer Services. 311 Customer Services is forecast to be \$60,000 over budget due to higher than expected usage of the Language Line, a third-party vendor that is used to translate calls for non-English speakers. The primary use is for Spanish speakers when bilingual 311 Customer Services agents are not available.

7 Center for Performance Excellence. Center for Performance Excellence expenditures are forecast to be \$83,000 under budget primarily due to salary and benefit savings associated with current employee salaries for two FTE(s) being lower than anticipated.

8 EMS Compliance Program. EMS Compliance Program expenditures are forecast to be \$23,000 under budget primarily due to the non-renewal of the ComplyAssistant contract.

9 Fair Housing Office. Fair Housing Office budget was increased by \$120,000 on October 25, 2017 by CR#17-1652 for a Regional Assessment of Fair Housing.

10 Office of Strategic Partnerships. Office of Strategic Partnerships budget was increased by \$2.4 million on January 17, 2018 by CR #18-0125 to appropriate funds for the Dallas County School Dissolution Committee Crossing Guard payroll.

11 Office of Business Diversity. Office of Business Diversity expenditures are forecast to be \$100,000 below budget due to salary savings associated with vacancies.

12 Office of Community Care. Office of Community Care is forecast \$68,000 over budget due to unbudgeted contract temporary help, overtime, and building maintenance.

13 Public Affairs and Outreach. Public Affairs and Outreach budget was decreased by \$265,000 on October 11, 2017 by CR#17-1608 for oversight and responsibility of the open records function transferred to the City Secretary.

14 Non-Departmental. Non-Departmental expenditure forecast \$1.4 million less than budget due to a delay

VARIANCE NOTES

in Master Lease draw for new equipment purchase which will occur in fall of FY 2018-19.

15 Office of Cultural Affairs. Office of Cultural Affairs budget was increased by \$139,000 on November 8, 2017 by CR# 17-1735 (approved use of contingency reserve funds) to reimburse the ATTPAC for emergency flood remediation and repairs at the Dee and Charles Wyly Theatre and on February 14, 2018 by resolution #18-0282 in the amount of \$303,000 to accept donations from the Communities Foundation of Texas on behalf of various contributors to the Dallas Cultural Plan 2018.

16 Procurement Services Procurement Services expenditures are forecasts to be \$228,000 below budget due to four vacant positions that are projected to be filled by the third quarter of the fiscal year.

17 Salary and Benefit Reserve. Salary and Benefit Reserve funds totaling \$655,000 were allocated to Building Services (\$77,000), City Manager's Office (\$77,000), the City Controller's Office (\$27,000), Housing and Neighborhood Revitalization (\$177,000), Mayor and Council (\$7,000), City Agenda Office (\$4,000), Ethics and Diversity (\$22,000), and Park and Recreation (\$264,000) for personnel related expenditures, primarily unbudgeted vacation/sick termination payments.

ENTERPRISE FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
AVIATION					
Beginning Fund Balance	\$10,469,442	\$10,469,442	\$10,469,442	\$10,469,442	\$0
Total Revenues:	127,028,405	127,028,405	48,673,827	127,039,831	11,426
Total Expenditures:	127,028,405	127,028,405	26,185,608	126,993,614	(34,791)
Ending Fund Balance	\$10,469,442	\$10,469,442	\$32,957,661	\$10,515,658	\$46,217
CONVENTION AND EVENT SERVICES¹					
Beginning Fund Balance	\$32,258,124	\$32,258,124	\$32,258,124	\$32,258,124	\$0
Total Revenues:	97,787,266	97,787,266	36,250,898	101,170,212	3,382,946
Total Expenditures:	97,787,266	97,787,266	30,881,355	99,371,105	1,583,839
Ending Fund Balance	\$32,258,124	\$32,258,124	\$37,627,667	\$34,057,231	\$1,799,107
MUNICIPAL RADIO²					
Beginning Fund Balance	\$1,217,847	\$1,217,847	\$1,217,847	\$1,217,847	\$0
Total Revenues:	2,098,813	2,098,813	756,012	2,123,484	24,671
Total Expenditures:	2,051,318	2,051,318	910,413	2,116,132	64,814
Ending Fund Balance	\$1,265,342	\$1,265,342	\$1,063,446	\$1,225,199	(\$40,143)
SANITATION SERVICES³					
Beginning Fund Balance	\$15,052,459	\$15,052,459	\$15,052,459	\$15,052,459	\$0
Total Revenues:	102,279,097	102,279,097	44,500,523	106,552,350	4,273,253
Total Expenditures:	102,279,097	102,279,097	30,438,735	104,419,917	2,140,820
Ending Fund Balance	\$15,052,459	\$15,052,459	\$29,114,246	\$17,184,891	\$2,132,432
STORM DRAINAGE MANAGEMENT					
Beginning Fund Balance	\$4,546,490	\$4,546,490	\$4,546,490	\$4,546,490	\$0
Total Revenues:	55,987,895	55,987,895	22,979,518	56,108,378	120,483
Total Expenditures:	55,936,837	55,936,837	13,675,500	55,649,715	(287,122)
Ending Fund Balance	\$4,597,548	\$4,597,548	\$13,850,507	\$5,005,153	\$407,605
SUSTAINABLE DEVELOPMENT AND CONSTRUCTION⁴					
Beginning Fund Balance	\$37,809,029	\$37,809,029	\$37,809,029	\$37,809,029	\$0
Total Revenues:	31,711,218	31,711,218	13,492,168	31,516,861	(194,357)
Total Expenditures:	32,376,190	32,376,190	12,171,410	32,375,277	(913)
Ending Fund Balance	\$37,144,057	\$37,144,057	\$39,129,787	\$36,950,613	(\$193,444)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DALLAS WATER UTILITIES⁵					
Beginning Fund Balance	\$84,788,025	\$84,788,025	\$84,788,025	\$84,788,025	\$0
Total Revenues:	667,471,388	667,471,388	262,938,119	667,471,388	0
Total Expenditures:	667,471,388	667,471,388	218,676,485	643,354,172	(24,117,216)
Ending Fund Balance	\$84,788,025	\$84,788,025	\$129,049,659	\$108,905,240	\$24,117,215

INTERNAL SERVICES FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
INFORMATION TECHNOLOGY⁶					
Beginning Fund Balance	\$10,959,687	\$10,959,687	\$10,959,687	\$10,959,687	\$0
Total Revenues:	67,963,283	67,963,283	21,671,563	67,495,081	(468,202)
Total Expenditures:	70,242,680	70,242,680	34,981,780	69,985,992	(256,688)
Ending Fund Balance	\$8,680,290	\$8,680,290	(\$2,350,530)	\$8,468,776	(\$211,514)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
RADIO SERVICES					
Beginning Fund Balance	\$2,537,356	\$2,537,356	\$2,537,356	\$2,537,356	\$0
Total Revenues:	4,823,063	4,823,063	679,965	4,852,117	29,054
Total Expenditures:	4,823,063	4,823,063	1,544,919	4,797,934	(25,129)
Ending Fund Balance	\$2,537,356	\$2,537,356	\$1,672,402	\$2,591,539	\$54,183
EQUIPMENT SERVICES⁷					
Beginning Fund Balance	\$5,611,863	\$5,611,863	\$5,611,863	\$5,611,863	\$0
Total Revenues:	52,652,059	52,652,059	16,599,037	54,144,909	1,492,850
Total Expenditures:	52,652,059	52,652,059	17,630,471	54,417,268	1,765,209
Ending Fund Balance	\$5,611,863	\$5,611,863	\$4,580,429	\$5,339,504	(\$272,359)
EXPRESS BUSINESS CENTER⁸					
Beginning Fund Balance	\$2,011,100	\$2,011,100	\$2,011,100	\$2,011,100	\$0
Total Revenues:	4,231,450	4,231,450	1,449,578	2,724,250	(1,507,200)
Total Expenditures:	3,740,420	3,740,420	731,883	2,191,251	(1,549,169)
Ending Fund Balance	\$2,502,130	\$2,502,130	\$2,728,795	\$2,544,098	\$41,968

OTHER FUNDS

As of February 28, 2018

Department	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	YTD Actual	YE Forecast	Variance
9-1-1 SYSTEM OPERATIONS⁹					
Beginning Fund Balance	\$5,941,912	\$5,941,912	\$5,941,912	\$5,941,912	\$0
Total Revenues:	12,539,195	12,539,195	4,879,481	12,074,018	(465,177)
Total Expenditures:	15,048,378	15,048,378	2,205,128	16,748,378	1,700,000
Ending Fund Balance	\$3,432,729	\$3,432,729	\$8,616,265	\$1,267,552	(\$2,165,177)
Note: FY 2017-18 Budget reflects planned use of fund balance.					
DEBT SERVICE¹⁰					
Beginning Fund Balance	\$13,769,804	\$13,769,804	\$13,769,804	\$13,769,804	\$0
Total Revenues:	278,149,358	278,149,358	253,301,253	278,945,555	796,197
Total Expenditures:	267,322,998	267,322,998	0	267,322,998	0
Ending Fund Balance	\$24,596,164	\$24,596,164	\$267,071,057	\$25,392,361	\$796,197
EMPLOYEE BENEFITS¹¹					
City Contributions	\$86,088,120	\$86,088,120	\$39,564,913	\$86,088,120	\$0
Employee Contributions	38,086,396	38,086,396	16,505,986	38,086,396	0
Retiree	30,118,491	30,118,491	10,265,887	30,118,491	0
Other	0	0	(26,917)	(11,513)	(11,513)
Total Revenues:	154,293,007	154,293,007	66,309,868	154,281,494	(11,513)
Total Expenditures:	\$154,293,007	\$154,293,007	\$46,736,263	\$154,293,007	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects incurred but not reported claims (IBNR).					
RISK MANAGEMENT¹²					
Worker's Compensation	\$13,219,304	\$13,219,304	\$257,293	\$13,219,304	\$0
Third Party Liability	10,203,093	10,203,093	253,881	10,203,093	0
Purchased Insurance	3,090,183	3,090,183	(529)	3,090,183	0
Interest and Other	406,970	406,970	0	406,970	0
Total Revenues:	26,919,550	26,919,550	510,644	26,919,550	0
Total Expenditures:	\$29,406,225	\$29,406,225	\$8,498,027	\$29,406,225	\$0
Note: The FY 2017-18 YE forecast reflect claim expenses expected to occur in the fiscal year. Fund balance (not included) reflects the total current liability for Risk Management (Worker's Compensation/Liability/Property Insurance).					

VARIANCE NOTES

The Enterprise, Internal Service, and Other Funds summary includes the beginning fund balance with the YE revenue and expenditure forecasts. As of February 28, 2018, the beginning fund balance represents the FY 2016-17 unaudited ending fund balance and does not reflect projected year-end savings anticipated at FY 2016-17 year-end. It is anticipated that there will be adjustments to the FY 2017-18 Amended Beginning Fund balance after FY 2016-17 audited statements become available in April 2018. Variance notes are provided below for funds with a YE forecast variance of +/- five percent, funds with YE forecast projected to exceed budget, and funds with projected use of fund balance.

1 Convention and Event Services. Convention and Event Services revenues are projected to exceed budget by \$3.3 million primarily due to heavier than anticipated use of catering services at various national corporate events held at the Convention Center. Expenditures are projected to be \$1.6 million greater than budget primarily due to increases in food and beverage expenses associated with the increase in catering service revenues and an additional \$1.1 million Capital Construction transfer contingent upon realization of increased revenue estimate.

2 Municipal Radio. Municipal Radio FY 2017-18 YE forecast expenditures will exceed revenue by \$40,000 due to sales commission expenses.

3 Sanitation Services. Sanitation Services revenues are projected \$4.2 million over budget primarily due to increase in private disposal waste tonnage from cash customers at the landfill. Expenditures are projected to be \$2.1 million greater than budget due to increased landfill disposal fees (\$643,000) paid to Texas Commission on Environmental Quality (TCEQ), and Equipment Services maintenance charges (\$673,000) and master lease payments (\$695,000).

4 Sustainable Development and Construction. Sustainable Development and Construction FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

5 Dallas Water Utilities. Water Utilities expenditures are projected to be \$24.1 million less than budget due to a settlement of potential litigation with Sabine River Authority (SRA) that was budgeted at \$24.1 million. The savings will be used to minimize future rate increases. City Council was briefed on this topic in February 2018.

6 Information Technology. Information Technology FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.

7 Equipment Services. Equipment Services revenues are projected to exceed budget by \$1.5 million primarily due to an increase in the rental rate charged to Sanitation for retained vehicles. Retained vehicles are units that were replaced but departments later opted to keep, along with the replacement unit. Equipment Services expenditures are projected to exceed budget by \$1.8 million due to maintenance for unbudgeted retained and added equipment, increased motor pool use, and increased costs for make ready of new vehicles which will be offset by additional revenue.

8 Express Business Center. Express Business Center expenditures and revenues are projected to be \$1.5 million less than budget primarily due to transfer of the water bill printing services to Dallas Water Utilities (DWU) at the end of September 2017. Water bill printing services will be provided by a vendor and expensed in DWU.

VARIANCE NOTES

9 9-1-1 System Operations. 9-1-1 System Operations FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance and a \$1.7 million greater than budgeted reimbursement to Dallas Fire Rescue. The YE forecast decline in revenue is due to decreases in residential and commercial wireline services.

10 Debt Service Fund. Debt Service Fund FY 2017-18 YE forecast revenues will exceed budget by \$796,000 due to current year collections trending above average.

11 Employee Benefits. Employee Benefits FY 2017-18 YE forecast expenditures will exceed revenue due to an unbudgeted refund.

12 Risk Management. Risk Management FY 2017-18 YE forecast expenditures will exceed revenue due to planned use of fund balance.



City of Dallas

Contact Information

Financial Transparency

financialtransparency@dallascityhall.com

Dallas City Hall

1500 Marilla St.

Room 4-F-North

Dallas, Texas 75201

[Phone: \(214\) 670-3659](tel:(214)670-3659)

Fax: (214) 670-7008



Memorandum



DATE April 9, 2018

CITY OF DALLAS

Members of the Government Performance & Financial Management Committee:

TO Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Rockwall Central Appraisal District**

The Texas Property Tax Code requires appraisal districts obtain approval of 75 percent of their taxing units (school districts, county, and cities) to purchase, lease, or renovate a building to house the appraisal district office. Rockwall Central Appraisal District has submitted a request to the City of Dallas for approval of an expansion and renovation project. The planned 12,000 square foot two-story addition, expanded parking lot, and updates to the current building will not exceed \$4 million. Project details are attached.

The appraisal district office at 841 Justin Road, Rockwall, Texas has been in use for 20 years. In that time, the population of Rockwall County has almost tripled and continues to grow at an increasing rate. While the building is structurally sound, it lacks the space and parking capacity to adequately serve employees and citizens.

The proposed project will greatly enlarge and enhance the comfort in the public areas. The parking area will triple and offer a one-way flow of traffic, accommodate all visitors, and make access to the building safer. The project will allow the appraisal district to hire additional employees to reach the recommended workload levels and better serve the citizens of Rockwall County.

Our share of the debt service cost is based on our percent of the 2017 levy within Rockwall County or 0.036 percent. The debt cost allocated to Dallas will be \$115 per year for 20 years. This will be an increase to our annual cost which was \$446 in FY 2016-17. On April 25, City Council will consider the attached resolution. If you have any questions, please let me know.

M. Elizabeth Reich
Chief Financial Officer

Attachments

c: Honorable Mayor and Members of City Council T.C. Broadnax, City Manager Larry Casto, City Attorney Craig D. Kinton, City Auditor Billerae Johnson, City Secretary (Interim) Daniel F. Solis, Administrative Judge Kimberly Bizzor Tolbert, Chief of Staff to the City Manager Majed A. Al-Ghafry, Assistant City Manager	Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager Jo M. (Jody) Puckett, Assistant City Manager (Interim) Nadia Chandler Hardy, Chief of Community Services Raquel Favela, Chief of Economic Development & Neighborhood Services Theresa O'Donnell, Chief of Resilience Directors and Assistant Directors
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**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

April 25, 2018

COUNCIL DISTRICT(S):

N/A

DEPARTMENT:

Office of Budget

CMO:

Elizabeth Reich, 670-7804

MAPSCO:

N/A

SUBJECT

Approve the Rockwall Central Appraisal District's (RCAD) proposal to renovate and expand RCAD's current facility located at 841 Justin Road, Rockwall, Texas, pursuant to § 6.051 of the Tex. Tax Code which requires such proposal be approved by three-fourths (3/4) of all taxing units entitled to vote on the appointment of RCAD board members which includes the City of Dallas - Financing: This action has no cost consideration to the City (see Fiscal Information for future cost)

BACKGROUND

The Texas Property Tax Code requires appraisal districts obtain approval of 75 percent of their taxing units (school districts, county, and cities) to purchase, lease, or renovate a building to house the appraisal district office. Rockwall Central Appraisal District (CAD) has submitted a request to the City of Dallas as they plan an expansion and renovation project. The planned 12,000 square foot two-story addition, expanded parking lot, and updates to the current building will not exceed \$4,000,000.

The Rockwall (CAD) office at 841 Justin Road, Rockwall, Texas has been in use for 20 years. In that time, the population of Rockwall County has almost tripled and continues to grow at an increasing rate. While the building is structurally sound, it lacks the space and parking capacity to adequately serve employees and citizens.

The proposed project will greatly enlarge and enhance the comfort in the public areas. The parking area will triple and offer a one-way flow of traffic, accommodate all visitors, and make access to the building safer. The project will allow for the hiring of additional employees to more closely reach the recommended workload levels and provide the opportunity to better serve the citizens of Rockwall County.

Our share of the debt service cost is based on our percent of the 2017 levy within Rockwall County or 0.036 percent. The debt cost allocated to Dallas will be \$115 per year for 20 years. This will be an increase to our annual cost which was \$446 in FY 2016-17.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Government Performance and Financial Management Committee on April 16, 2018.

FISCAL INFORMATION

The Rockwall Central Appraisal District plans to renovate and expand their facility for a cost not to exceed \$4,000,000 pending approval of three-fourths of their taxing units entitled to vote on the appointment of RCAD board members. The debt cost will be allocated to the taxing entities over 20 years. The City of Dallas allocation is expected to be \$115 per year for 20 years and will be paid from the General Fund (subject to annual appropriations).

April 25, 2018

WHEREAS, § 6.051, Texas Tax Code authorizes the Board of Directors of an appraisal district to construct or renovate a building or other improvements as necessary to establish and operate the appraisal office; and

WHEREAS, the Board of Directors of the Rockwall Central Appraisal District has delivered a copy of Resolution # 2018-001 setting forth the desire to renovate and expand the property situated at 841 Justin Road, Rockwall, Texas; and

WHEREAS, the Board of Directors of the Rockwall Central Appraisal District has also delivered information showing the costs of available alternatives to the renovation of the property situated at 841 Justin Road, Rockwall, Texas; and

WHEREAS, § 6.051, Texas Tax Code requires that an appraisal district's construction or renovation of such real property and improvements must be approved by three-fourths (3/4) of the taxing units entitled to vote on the appointment of board members; and

WHEREAS, the City of Dallas is a taxing unit entitled to vote on the appointment of board members; and

WHEREAS, the Rockwall Central Appraisal District desires the City of Dallas approval of the Rockwall Central Appraisal District building project in accordance with § 6.051, Texas Tax Code; and

WHEREAS, City of Dallas approves of the Rockwall Central Appraisal District construction proposal to renovate the property; and

WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action.

Now, Therefore,

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

SECTION 1. That the Rockwall Central Appraisal District's proposal to renovate the property situated at 841 Justin Road, Rockwall, Texas is hereby approved.

SECTION 2. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

RECEIVED

State of Texas

§

§

County of Rockwall

§

APR 04 2018

CITY MANAGER'S OFFICE
1500 MARILLA AVE
DALLAS, TEXAS 75201

RESOLUTION # 2018-__001__ ROCKWALL CENTRAL APPRAISAL DISTRICT

WHEREAS, § 6.051, TEX. TAX CODE authorizes the Board of Directors of an appraisal district to purchase or lease real property, construct or renovate a building or other improvements as necessary to establish and operate the appraisal office, with the approval of its taxing units.

AND WHEREAS, the Board of Directors of Rockwall Central Appraisal District has determined that renovating and constructing new improvements at the site of the current appraisal office located at 841 Justin Road, Rockwall, Texas, is the best choice for the taxpayers and taxing units of Rockwall County. No suitable building(s) are available for rent or sale, and the cost associated with purchasing land and building a new appraisal office is too high compared to renovating and expanding the current office.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Rockwall Central Appraisal District proposes to construct an addition of approximately 11,000 square feet to the appraisal office and to renovate the present appraisal office. The plan's costs will not exceed \$4,000,000 and consists of

- Building addition with extension of current parking lot
- Update of existing space

The chief appraiser shall deliver a copy of this resolution, along with information showing the costs of other available alternatives to this proposal, to the presiding officer of each taxing unit entitled to vote on the appointment of board members to the appraisal district. The taxing units are asked to pass a resolution approving this resolution on or before the 30th day following delivery of this resolution and accompanying documentation, and to file its resolution of approval no later than the 40th day following delivery of this resolution and accompanying documentation.

ADOPTED this 21st day of March, 2018.


Chairman, Board of Directors

Attest:


Secretary, Board of Directors

ROCKWALL CENTRAL APPRAISAL DISTRICT



PROPOSED BUILDING ADDITION ROCKWALL, TEXAS

Sec. 6.051. Ownership or Lease of Real Property.

- (a) The board of directors of an appraisal district may purchase or lease real property and may construct improvements as necessary to establish and operate the appraisal office or a branch appraisal office.
- (b) The acquisition or conveyance of real property or the construction or renovation of a building or other improvement by an appraisal district must be approved by the governing bodies of **three-fourths of the taxing units entitled to vote** on the appointment of board members.
 - a. The board of directors by **resolution** may propose a property transaction or other action for which this subsection requires approval of the taxing units.
 - b. The chief appraiser shall **notify the presiding officer** of each governing body entitled to vote on the approval of the proposal by delivering a copy of the board's resolution, together with **information showing the costs of other available alternatives to the proposal.**
 - c. On or before the 30th day after the date the presiding officer receives notice of the proposal, the governing body of a taxing unit by resolution may approve or disapprove the proposal. If a governing body fails to act on or before that 30th day or fails to file its resolution with the chief appraiser on or before the 10th day after that 30th day, the proposal is treated as if it were disapproved by the governing body.
- (c) The board of directors may convey real property owned by the district, and the proceeds shall be credited to each taxing unit that participates in the district in proportion to the unit's allocation of the appraisal district budget in the year in which

ROCKWALL CENTRAL APPRAISAL DISTRICT

Table of Contents

1. Resolution to be signed
2. Proposal, History & Background
3. Population Census Chart
4. Protest & Inquiry Status
5. Recommendation Letters
6. Budget for each Entity
7. Construction Budget
8. Construction Time Line
9. Design Package

RESOLUTION TO BE SIGNED

State of Texas §
 §
County of Rockwall §

APPROVAL OF ROCKWALL CENTRAL APPRAISAL DISTRICT'S

RESOLUTION # 2018-_____

WHEREAS, § 6.051, TEX. TAX CODE authorizes the Board of Directors of an appraisal district to construct or renovate a building or other improvements as necessary to establish and operate the appraisal office.

WHEREAS, the Board of Directors of the Rockwall Central Appraisal District has delivered a copy of Resolution # 2018-_____ setting forth the desire to renovate and expand the property situated at 841 Justin Road, Rockwall, Texas.

WHEREAS, the Board of Directors of the Rockwall Central Appraisal District has also delivered information showing the costs of available alternatives to the renovation of the property situated at 841 Justin Road, Rockwall, Texas.

WHEREAS, § 6.051, TEX. TAX CODE requires that an appraisal district's construction or renovation of such real property and improvements must be approved by three-fourths (3/4) of the taxing units entitled to vote on the appointment of board members.

WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action:

NOW, THEREFORE, BE IT RESOLVED by the _____ of _____:

RESOLVED, that the Rockwall Central Appraisal District's proposal to renovate the property situated at 841 Justin Road, Rockwall, Texas is hereby **APPROVED**.

PASSED, APPROVED, AND ADOPTED this _____ day of _____,
2018.

PRESIDING OFFICER
NAME OF TAXING UNIT

ATTEST:

PROPOSAL, HISTORY & BACKGROUND

Executive Summary

The Rockwall Central Appraisal District (RCAD) office building has stood in its existing location for 20 years. In that time the population of Rockwall County has almost tripled and continues to grow at an ever increasing rate. While our building remains structurally sound, it now lacks the space and parking capacity to adequately serve our employees and, more importantly, our citizens.

The Texas Tax Code authorizes the Board of Directors of an appraisal district, with the approval of its taxing units, to purchase, lease, or renovate a building as necessary to operate the appraisal office. A search of existing properties for sale or lease within Rockwall County has been conducted and no suitable facility was found. All properties either lacked the appropriate space, parking, or were far too costly to renovate. Details of those properties is available upon request.

The Board of Directors has determined that the most logical and fiscally responsible approach to address our immediate needs and prepare for the future is to build an expansion to our current facility for the following reasons:

- Office space is very limited, with some appraisers having to double up. The Texas adopted manual "Property Appraisal and Assessment Administration" recommends one appraiser for every 3,000 to 3,500 parcels. Currently there are eight appraisers, each appraiser managing 4,000-6,000 parcels. The District is currently three appraisers short.
- Storage space for files is overflowing into the workspace. Off-site climate controlled storage is now leased every month to fill this immediate need.
- The public waiting area is very small and easily becomes overcrowded and uncomfortable. The District expects the number of protests to double in eight years.
- The parking lot is also very small with only one entrance and exit. Citizens must park in other business parking lots down the street, or on the street some distance away.
- There is only one conference room for the Appraisal Review Board (ARB) to hear citizen protests. Increasing demand now requires conducting two boards simultaneously. The second board is held in the Assistant Chief Appraiser's office, who is then forced to double up in another office for those three months.
- The District Office is centrally located in Rockwall County. The Taxing Entities already own this building and the land on a corner lot, which is large enough to easily accommodate this building and parking lot expansion.

The planned 12,000 square foot Two Story Addition, expanded parking lot and some updates to the current building will not exceed \$4,000,000. The estimated annual budget for each entity is included in this packet.

This space and redesign will greatly enlarge and enhance the comfort in the public areas. The parking area will triple and with a one-way flow of traffic, will accommodate all visitors and make access to the building safer. It will allow for the hiring of additional employees to more closely reach the recommended workload levels. This project will provide the opportunity to better serve the citizens of Rockwall County now and for many years to come.

POPULATON CENSUS CHART

Year	Population Growth
1990	25,604
1997	36,618
2000	43,080
2007	72,373
2008	76,126
2009	81,267
2010	78,337
2011	79,570
2013	83,400
2014	85,000
2015	88,200
2016	90,570
2017	93,130
2018	95,924
2019	98,802
2020	101,766
2021	104,819
2122	107,964
2123	111,202
2024	114,539
2025	117,975
2026	121,514
2027	125,159
2028	128,914
Using information provided by North Central Texas Council of Governments NCTCOG a 3% compounded population growth is calculated.	

PROTEST & INQUIRY STATUS

Year	Protest
2013	2,545
2014	4,114
2015	3,773
2016	6,333
2017	8,087
2018	8,896
2019	9,785
2020	10,764
2021	11,840
2022	13,024
2023	14,327
2024	15,759
2025	17,335
2026	19,069
2027	20,976
2028	23,073
<p>With the number of new homes being built annually and property taxes continuing to rise, it is projected protest will increase approximately 10% per year.</p>	

Appraiser Staffing

Year	Accounts	% Increase	Appraisers Needed
2007	39445		10
2008	37399	-5%	9
2009	37859	1%	9
2010	37995	0%	9
2011	38162	0%	10
2012	38556	1%	10
2013	38909	1%	10
2014	39877	2%	10
2015	39948	0%	10
2016	40658	2%	10
2017	42553	5%	11
2018	44036	3%	11
2019	45357	3%	11
2020	46718	3%	12
2021	48119	3%	12
2022	49563	3%	12
2023	51050	3%	13
2024	52581	3%	13
2025	54159	3%	14
2026	55783	3%	14
2027	57457	3%	14
2028	59181	3%	15
2029	60956	3%	15
2030	62785	3%	16
2031	64668	3%	16
2032	66608	3%	17
2033	68607	3%	17
2034	70665	3%	18
2035	72785	3%	18
2036	74968	3%	19
2037	77217	3%	19
2038	79534	3%	20

Accounts: Parcels requiring appraisal

Appraisers needed: Based on the State of Texas adopted Manual "Property Appraisal and Assessment Administration" Published by the International Association of Assessing Officers at

RECOMMENDATION LETTERS

Sept 17, 2017

To: All Rockwall County, City, and School Taxing Entities

I have had the honor of serving on the Appraisal Review Board for four years and I am currently serving as the ARB Chairman.

With the rapid growth and forecasts of population, homes being built and updated, and additional business expansion we need to expand our CAD office space. Next year we will probably need two or more panels and need additional hearing rooms with adequate space to conduct open hearings that comply with state laws. At the current time, we only have one hearing room that can provide seating for the public to attend our hearings. Office space also needs to be provided for additional appraisers and staff as needed.

I am certain we all have the same common interests to comply with state laws to have all properties appraised at fair market values, and, to provide a fair and timely hearing for all protesters to have an unbiased review of their appraisal by the APB.

Please call me if I can provide any additional information or help.

Hal Hutchins

A handwritten signature in black ink, appearing to read 'H.C. Hutchins', with a stylized flourish at the end.

972-771-4927

ARB Board Chairman

To Whom It May Concern

September 16, 2017

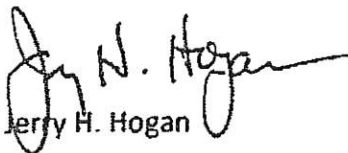
As a member of the Appraisal Review Board during 2017, I had the opportunity to closely observe the personnel and facilities of the Rockwall County Central Appraisal District.

First, no one feels comfortable with their Property Tax Assessment. Thus they have at least three options: complain, protest, or do nothing. The majority, unfortunately, do not understand the laws imposed by our State Legislators on how Property Taxes are determined nor do they understand the various components of the assessment. Accordingly, since they do not understand how the assessment is done, the villain in the process is the Appraisal District. This gives them the target for their complaint, protest, or even doing nothing.

Second, my personal observation over the experiences of this year and of four years as County Judge, is that the personnel of the Central Appraisal District apply the laws as written, follow all of the procedures detailed by the Legislators, go out of their way to be helpful to tax payers, and provide a service to both the citizens and the taxing entities. While it is easy to complain and find a "whipping boy", in my opinion it should not be the personnel of the Central Appraisal District. The proper avenue for complaint should be to your local State Representatives as they are the ones who make the laws we all must follow as citizens.

Third, the facilities of the Central Appraisal District badly need to be expanded. Storage space for their operation is almost non-existent; office space is so limited that appraisers who meet with the public are now being forced to share offices which limit their ability to actually interface with the citizens; only one room is currently available for citizens to meet with Appraisal Review Board members, however because of the number of protests resulting from the expanding population growth, it is necessary to divide the Review Board into Panels to accommodate the protests. This required one panel to meet in the corner of one office jammed into a space too tight to allow public observers as necessitated by law. Because of the increase in the number of protests, the waiting time for many citizens who must sit in a very small, hot reception room is frustrating.

Finally, as you may know, I am not one to argue for expansion of government, adding more people, or building bigger and better facilities. However in this case, to meet the needs of an expanding population and to serve our citizens, I do recommend the Central Appraisal District building be expanded to meet the basic needs of that organization. The need is real.



Jerry H. Hogan

Rockwall County Judge (Retired)



THOM LOAFMAN STUDIO

ART • ILLUSTRATION • DESIGN

831 Turquoise Point

214-394-0092

Rockwall, TX 75032

tloafman@flash.net

9/15/2017

To the Officials of the Entities Served by the Rockwall Central Appraisal District

Dear Sirs and Mesdames,

I am writing in support of the Rockwall Central Appraisal District in requesting funding for an additional building to accommodate the continued growth of the organization. Having served on the RCAD Appraisal Review Board for the last three years, I am personally familiar with the lack of adequate space even for existing needs. Currently, the Appraisal District has insufficient space for storing all the records that must be kept on hand, leading to filing cabinets lining the hallways, which could be considered a safety issue. Also, the Appraisal Review Board this year instituted the practice of using two panels of three members in order to accommodate all the taxpayers wishing to protest their appraisals. Because the current RCAD facility has only one meeting room, one panel had to meet with taxpayers in the Assistant Chief Appraiser's office. While it did suffice, it was a rather cramped environment for the proceedings. I know that an additional appraiser position has been approved for next year, and with Rockwall County growing at a very rapid pace, the need for additional personnel can only increase in the foreseeable future. Please review positively the Rockwall Central Appraisal District's appeal for the funding needed to construct an additional building. It is sorely needed. Thank you for your consideration.

Submitted respectfully,

Thom Loafman

Vice Chairman

Rockwall County Appraisal Review Board

BUDGET FOR EACH ENTITY

	2017 Levy	% of Budget	* Projected
ENTITY			Allocation per Year
City of Dallas	83,781	0.036%	\$ 115
City of Fate	2,934,573	1.262%	\$ 4,030
City of Garland	10	0.000%	\$ 0
City of Heath	6,434,833	2.768%	\$ 8,836
City of McLendon Chisholm	582,165	0.250%	\$ 799
City of Rockwall	21,802,342	9.380%	\$ 29,937
City of Rowlett	4,941,878	2.126%	\$ 6,786
City of Royse City	4,813,417	2.071%	\$ 6,609
City of Wylie	533,570	0.230%	\$ 733
Rockwall ISD	124,119,475	53.397%	\$ 170,431
Royse City ISD	27,795,058	11.958%	\$ 38,166
Rockwall County	36,335,523	15.632%	\$ 49,893
Rockwall County Mud # 8	4,241	0.002%	\$ 6
Rockwall County Mud # 9	46,831	0.020%	\$ 64
Rockwall County MUD #1	1,781,552	0.766%	\$ 2,446
Rockwall County MUD #6	209,904	0.090%	\$ 288
Rockwall County MUD #7	26,369	0.011%	\$ 36
	232,445,522	100%	\$ 319,176

* Based on 20 Yr. Mtg @ 5.09% rate

CONSTRUCTION BUDGET



750 Interstate 30
Suite 110
Rockwall, TX 75087
t: 972-732-6085
f: 972-732-8058

PROJECT SCHEDULE
Rockwall County Appraisal District

RCAD Board,

I have prepared a preliminary Time Line Schedule determining the process for planning, designing, construction drawings, various city approvals, Bidding, and construction time.

This Building Phase includes +/- 12,000 SF Two Story Office building with new parking areas.

Time Line Schedule:

Schematic concept package	Approved 3-24-17
Design Development package/ construction budget	Completed 4-19-17
RCAD finance approval process	4 weeks
Civil Engineering, Landscape Design	6 weeks
City "Site Plan Approval" process (Site plan, Building Elevations, Civil, Landscape)	8 weeks
Building Contract Documents Drawings	8 weeks
City Building Permit Submittal	6 weeks
Contractor pricing (this is during permit review)	4 weeks
Construction time	<u>10 months</u>

TIME LINE SCHEDULE = 5 months for drawings & approvals + 10 months of construction

The Time line would look like this starting April 2018:

Design Development package; (15%completed plans)	April 19, 2017
RCAD – Board of Dir. Resolution Adoption	March 21, 2018
RCAD – Approvals from various Entities	Month of April 2018
Civil & Landscaping drawing documents	April 9 – May 21, 2018
City “Site Plan Approval” Process; submittal / approval	May 15 – Jun 18, 2018
Building Contract Documents (CD’s)	May 15 – July 10, 2018
City Building Permit; Submittal / approval	July 17 – Aug 28, 2018
Contractor’s Final Pricing	July 17 – Aug 21, 2018
Construction Start / Finish	<u>Sept, 2018 – July 2019</u>

Finished Project July 2019

Carroll Architects appreciates the opportunity to be apart of the new building vision for RCAD and seeing it become a reality.

Sincerely,

Jeff Carroll
President / CEO

CONSTRUCTION TIME LINE



750 Interstate 30
Suite 110
Rockwall, TX 75087
t: 972-732-6085
f: 972-732-8058

MEMO TO: RCAD Rockwall, Texas
MEMO FROM: Carroll Architects
DATE: Monday, March 26, 2018 Revised
RE: RCAD Building Addition / Updating Existing Offices

Construction Budget:

New 12,000 SF Two Story Addition and Existing Building Updating.

Existing Building Updating: \$165,400.00

- A) Provide new Carpet
- B) Provide new Paint
- C) Removing Overhead Door for Window

New 12,000 SF Addition: \$2,554,000.00

- A) Site Work, Utilities, Paving
- B) Building Shell with Interiors

City Fees and Soft Cost: \$176,000.00

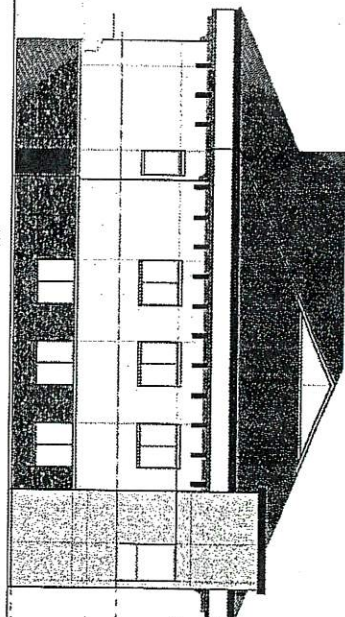
F. F. E.: \$355,000.00

TOTAL BUDGET: \$3,250,400.00

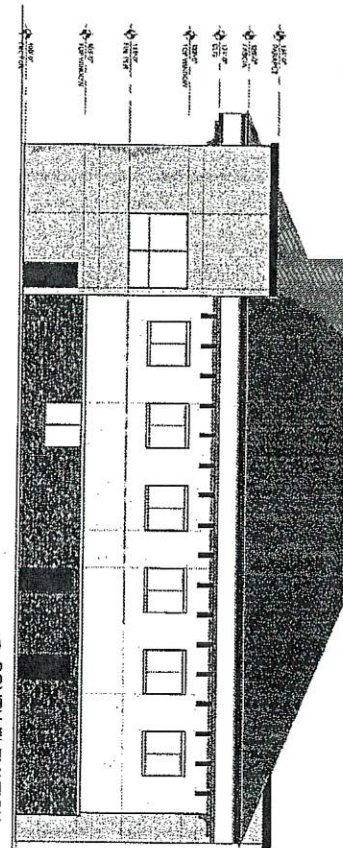
END OF MEMO

JC

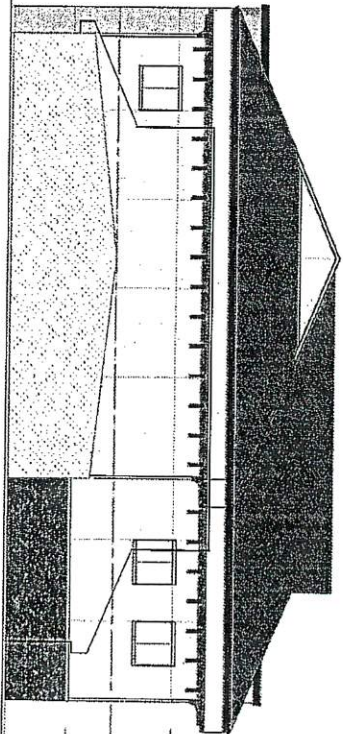
DESIGN PACKAGE



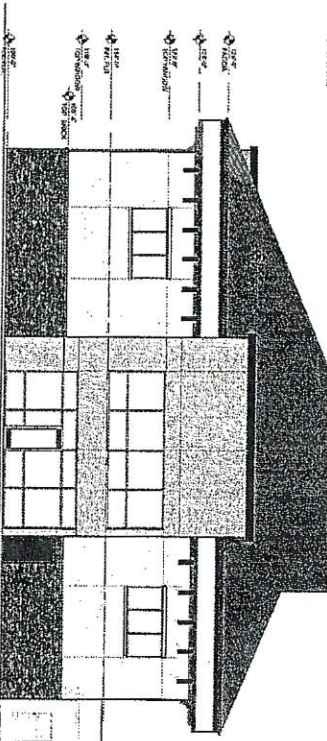
④ WEST ELEVATION
SCALE 1/8" = 1'-0"



③ SOUTH ELEVATION
SCALE 1/8" = 1'-0"



② NORTH ELEVATION
SCALE 1/8" = 1'-0"



① EAST ELEVATION
SCALE 1/8" = 1'-0"

ADDITION TO THE
ROCKWALL CENTRAL APPRAISAL
DISTRICT OFFICE

841 Justin Road
Rockwall, Texas 75087-4842



730 E. Interstate 30
Suite 110
Rockwall, TX 75087
T: 972-732-4065
C: 972-732-8058

Rockwall Central
Appraisal District
841 Justin Road
Rockwall, Texas
75087-4842

EXTERIOR
ELEVATIONS

DATE: APRIL 2017 SHEET NO.

PROJECT NO. 2017001 SK A501

DESIGNED BY JC

DD PACKAGE 04-19-2017

DISCLAIMER NOTICE:
These drawings and specifications are prepared and issued by the architect for the purpose of construction only. They do not constitute a contract. The architect is not responsible for the construction of the project. The architect is not responsible for the construction of the project. The architect is not responsible for the construction of the project.

Rockwall CAD Search for Lease or rental Property within Rockwall County

No buildings for rent or lease to meet the square footage requirements the district needs for present or future growth. RCAD current building square footage is 6,008 sq. ft.

The three largest buildings are:

- A. The largest building the district could find was a 6,067 sq. ft. space at \$22.75 sq. ft. + electric. Limited parking
- B. The second largest building the district could find was a 3,200 sq. ft. at \$25.00 sq. ft. nnn. Limited parking
- C. The 3rd largest building was 3,000 sq. ft. at \$28.00 sq. ft. nnn. Limited parking.

There are no properties in Rockwall large enough to meet the requirements of the CAD, all rentals would need finished out if there were.

The RCAD searched for sale properties within Rockwall Count, there were no properties that met the requirements and only two for sale.

- A. Office Medical Building built in 1986, 15,766 sq. ft. Asking price \$3,389,000, Wood, two story. City of Rowlett.
- B. Commercial Building built in 2003, 13,200 sq. ft. Asking price \$ 13,200. Outside City, warehouse type building.

Agent Full Report

MLS#: **13562836** **Sold** **106 W Kaufman Street** **Rockwall** **75087-3032** LP: **\$510,000**



Category: **Commercial** Type: **COM-Sale** Orig LP: **\$510,000**
 Area: **34/1** Low: **\$510,000**
 Subdv: **Rockwall O T** \$/Gr SqFt: **\$211.01**
 County: **Rockwall**
 Parcel ID: **4820000g0002a00r**
 Lot: **2+** Block: **G** Lake Name:
 Multi Pcl: **No** Legal: **Rockwall O T, Block G, Lot Pt** Plan Dvlpmnt:
 MUD Dst: **No** Unexempt Taxes: **\$5,740**

Building SqFt: **2,417 / Tax** Appraiser Name: Yr Built: **2001 / Preowned**
 Gross SqFt: **2,417** Zoning: **retail** #Units: **1**
 Lot SqFt: **7,797 / Tax** Multiple Zoning: **No** Stories: **2**
 Acres: **0.179** Lot Dimen: Will Subdiv: **No**

Business Name:
 Gross Income: **\$0**
 Net Income: **\$0**
 Annual Expenses: **\$0**
 Income/Expense Src:

Min Lease Rate(SF/MO):
 Leasable SqFt: **2,417**
 Leasable Spaces:
 Lease Expiration Date:

Max Lease Rate(SF/MO):
 Average Monthly Lease:
 Spaces Leased:
 Occupancy Rate:

Building Use: **Beauty/Barber, Building Services, Medical, Office, Other** Alarm/Security Type: **Exterior Security Light(s), Pre-Wired, Smoke Detector**
 Inclusions: **Building Only, Land & Improvements** Ceiling Height/Type: **8 to 10 Feet**
 Lot Size/Acreage: **Less Than .5 Acre (not Zero)** Flooring: **Carpet, Ceramic Tile**
 Topography: **Level** Heating/Cooling: **Central Air-Elec, Central Heat-Gas, Zoned**
 Soil: Ceiling Fans, Insulated Doors, Other, Tinted Windows, Turbines
 Road Frontage Desc: **City, Curbs/Gutters, Sidewalk** Green Features:
 Foundation: **Pier & Beam** Green Certification:
 Construction: **Brick** Tenant Pays: **Alarm Monitor Fee, All Utilities, Renters Insurance, Water**
 Roof: **Composition** Owner Pays:
 Walls: **Texture** Tot Annual Exp Inc:
 Street/Utilities: **Asphalt, City Sewer, City Water, Curbs, Sidewalk** Special Notes:
 Property Association: **Area Assigned, Open** Possession: **Closing/Funding**
 Parking/Garage: **Computer Ready, Fire Alarm, Fire Sprinklers, Security** Showing: **Agent Or Owner Present**
 Features: **Lighting, Telephone**

Property Description: **Brick building with stone trim, pier and beam foundation. Open space with private office downstairs. Very good visibility. Corner lot off of the Rockwall Square. ADA requirement ready. Ample concrete parking lot.**
 Excludes:
 Public Driving: **Near downtown Rockwall. Just minutes off I30-via North 740 or Hwy 205-turns into Goliad St-Left on Kaufman (just past Rusk)**
 Directions: **106 Kaufman on right**
 Private Remarks: **Seller is licensed real estate agent.**

Loan Type: **Treat As Clear** Bal: Equity: Int Rate: Pmt Type: Payment:
 Lender: Orig Date: 2nd Mortg: **No** Possible Short Sale:
 SUB: **0%** BAC: **3%** Var: **No** List Type: **Exclusive Right to Sell/Lease** CDOM: **3** DOM: **3** LD: **03/24/2017** XD:
 LO: **REGA01 Regal Realtors (972) 771-6970** Fax: **(972) 771-9780** Off Website: **www.regalrealtors.com**
 LO Addr: **3125 Ridge Road Rockwall, TX 75032** Office Email: **admin@regalrealtors.com** Off Supervisor:
 LA: **0647369 Stacy Rose (972) 839-5225** Fax: **Brk Lic #: 0592626**
 LA Cell: **(972) 839-5225** LA Other: **(972) 839-5225**
 LA Email: **stacy.rose@regalrealtors.com** LA Website:
 LA 2: LA 2 Contact:
 Pref Title Co: **Allegiance** Location:

Call: **Agent** Appt: **9728395225** Owner Name: **See Agent**
 Keybox #: **0000** Keybox Type: **None** Seller Type: **Individual(s)**
 Show Instr: **Call Agent to schedule a showing.** Occupancy: **Tenant**

Contract Date: **03/27/2017** Opt Exp Date: **04/05/2017** Sold Date: **05/31/2017** Slr Paid: **\$0** Sld\$/Acre: **\$65** SP: **\$510,000**
 SO: **TJHG01 The Jessica Hargis Group LLC (214) 304-6068** Sld\$/Gr SqFt: **\$211.01**
 SA: **0602435 Jessica Hargis (214) 304-6068** SA Email: **jessica@jessicahargis.com**
 Closing Title Co: Mortgage Co:
 Third Party AP: **Yes**
 1st Fin: **Conventional** Loan 1 Amount: Int Rt:
 2nd Fin: Years: Years: Loan 2 Amount: 2nd Int Rt:

Information Deemed Reliable, but not Guaranteed. Copyright: 2017 NTREIS.

2018-0-47422-64579

Page 1 of 1 Effective Date of Appraisal: January 1 Date Printed: 04/03/2018 10:59:12AM by KEVIN True Automation, Inc.

2 Spaces Available

Displ

1st Floor Ste 1400

Rental Rate	\$11.81 /SF/Yr	Lease Term	3 - 5 Year
Service Type	Modified Gross	Date Available	Immedia
Space Available	4,066 SF	Floor	1st Floor
Space Type	Relet	Space Use	Office



ATTACHMENTS

 [Marketing Brochure/Flyer](#)

1st Floor Ste 1500

Rental Rate	\$11.81 /SF/Yr	Lease Term	Negotiat
Service Type	Modified Gross	Date Available	30 Days
Space Available	2,033 SF	Floor	1st Floor
Space Type	Relet	Space Use	Office

[Justin Weiss](#) | [Assistant City Manager](#) | [City of Fate](#)



Hope this helps. I think if you want to stay in Rockwall, you'll probably have to build something.

Michael

[Michael Kovacs](#) | [City Manager](#) | [City of Fate](#)

ROCKWALL CENTRAL APPRAISAL DISTRICT
PROPERTY 51142 R 03/07/2000
Legal Description DBA J.T.TURNER, INC
LOFLAND INDUSTRIAL PARK, BLOCK B, LOT 1-R, ACRES .650, (REPLAT-00)

OWNER ID
1066972
OWNERSHIP
100.00%

1995 OSPREY LLC
PO BOX 1688
ROCKWALL, TX 75087

Values
IMPROVEMENTS 712,560
LAND MARKET + 141,570
MARKET VALUE = 854,130
PRODUCTIVITY LOSS - 0
APPRAISED VALUE = 854,130
HS CAP LOSS - 0
ASSESSED VALUE = 854,130

Entities
CAD 100%
CRW 100%
GRW 100%
SRW 100%

4322-000B-0001-R0-00
Ref ID2: R51142
Map ID 2-4

ACRES: .6500
EFF. ACRES:

APPR VAL METHOD: Cost

SITUS 750 JUSTIN RD ROCKWALL, TX

SKETCH for Improvement #1 (COMMERCIAL)

GENERAL
UTILITIES U LAST APPR. CG
TOPOGRAPHY LAST APPR. YR 2014
ROAD ACCESS P LAST INSP. DATE 02/19/2014
ZONING NEXT INSP. DATE
NEXT REASON RESURVEY

REMARKS FC, UPDATE SCHED/SKETCH. KDR 02/19/14//
NC PER FIELD CK 2/25/13 FOR 2013 KDR--

BUILDING PERMITS
ISSUE DT PERMIT TYPE PERMIT AREA ST PERMIT VAL

SALE DT PRICE GRANTOR DEED INFO
04/28/2014 ***** TURNER JOHN TERRWD / 2014 / 00000
11/21/2008 ***** BLUEBONNET WESTWD / 5634 / 201
11/11/1999 ***** TOLER TOBIN D WD / 1762 / 246

IMPROVEMENT INFORMATION
SUBD: S4322 100.00% NBHD:S4322 100.00%
TYPE DESCRIPTION MTHD CLASS/SUBCL AREA UNIT PRICE/UNITS BUILT EFF YR COND. VALUE DEPR PHYS ECON FUNC COMP ADJ ADJ VALUE
344 OFFICE BUILD M/S C/12 F 3,680.0 81.90 1 2000 2000 2.5 100% 100% 100% 100% 100% 1.00 584,770
2ND F IDENTIFICATI M/S C/24 F 3,460.0 0.00 1 2000 2000 2.5 100% 100% 100% 100% 100% 1.00 0
406 STORAGE WARE M/S C/12 F 2,240.0 50.20 1 2000 2000 2.5 100% 100% 100% 100% 100% 1.00 112,440
COMM M/S CONC-A/ 16,508.0 3.72 1 2000 2000 * 25% 100% 100% 100% 100% 0.25 15,350
1. COMMERCIAL STCD: F1 25,888.0 61,410 712,560

IMPROVEMENT FEATURES

PICTURE

IMPROVEMENT FEATURES

LAND INFORMATION
SUBD: S4322 100.00% NBHD:S4322 100.00%
L# DESCRIPTION CLS TABLE SPECIAL F1 N SC HS METH DIMENSIONS UNIT PRICE GROSS VALUE ADJ MASS ADJ VAL SRC IRR Wells: 0 Capacity: 0 IRR Acres: 0 Oil Wells: 0
1. REAL COMM SFT 28,314.0000 SQ SQ 5.00 141,570 1.00 1.00 A 141,570 NO 141,570 0.00
Comment: SFT

Effective Date of Appraisal: January 1 Date Printed: 04/03/2018 11:02:53AM by KEVIN True Automation, Inc.

Page 1 of 1

PROPERTY ID AND LEGAL DESCRIPTION

OP ID: 51142 TYPE: Real
 FLAND INDUSTRIAL PARK, BLOCK B, LOT 1-R,
 RES. 650, (REPLAT-00)
 ID: 4322-000B-0001-R0-00 REF ID: R51142
 FID:

SKETCH COMMANDS

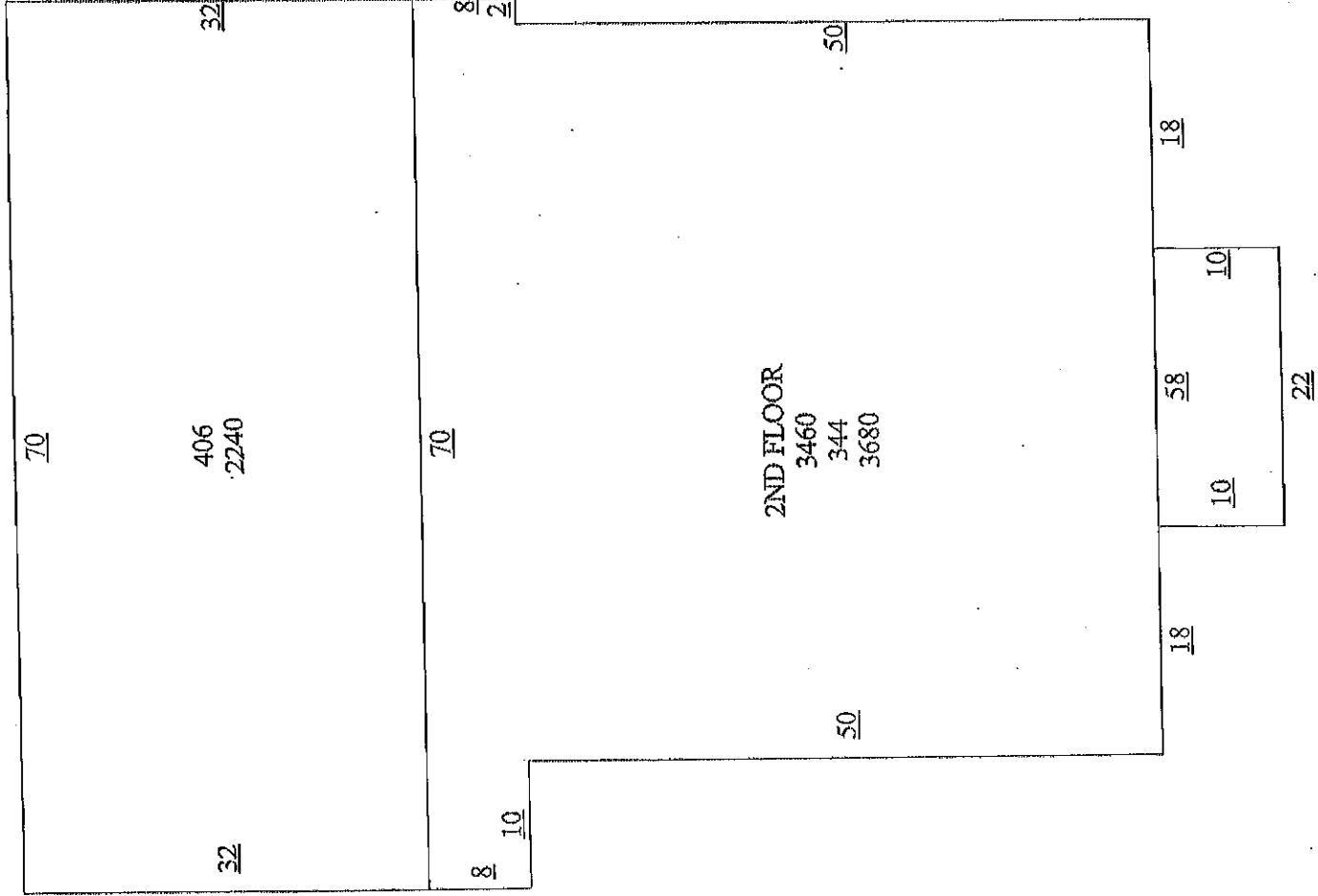
L4 L10,U8,R70,D8,L2,D50,L18,D10,L22,U10,L18
 U50
 D L10,U8,R70,D8,L2,D50,L58,U50
 D6 MU8,ML10,R70,U32,L70,D32

TYPE	AREA	ADJ VALUE
L4	3,680.0	584,770
D	3,460.0	0
D6	2,240.0	112,440
	9,380.0	697,210

PROPERTY COMMENTS

PROPERTY CONFIDENTIAL COMMENTS

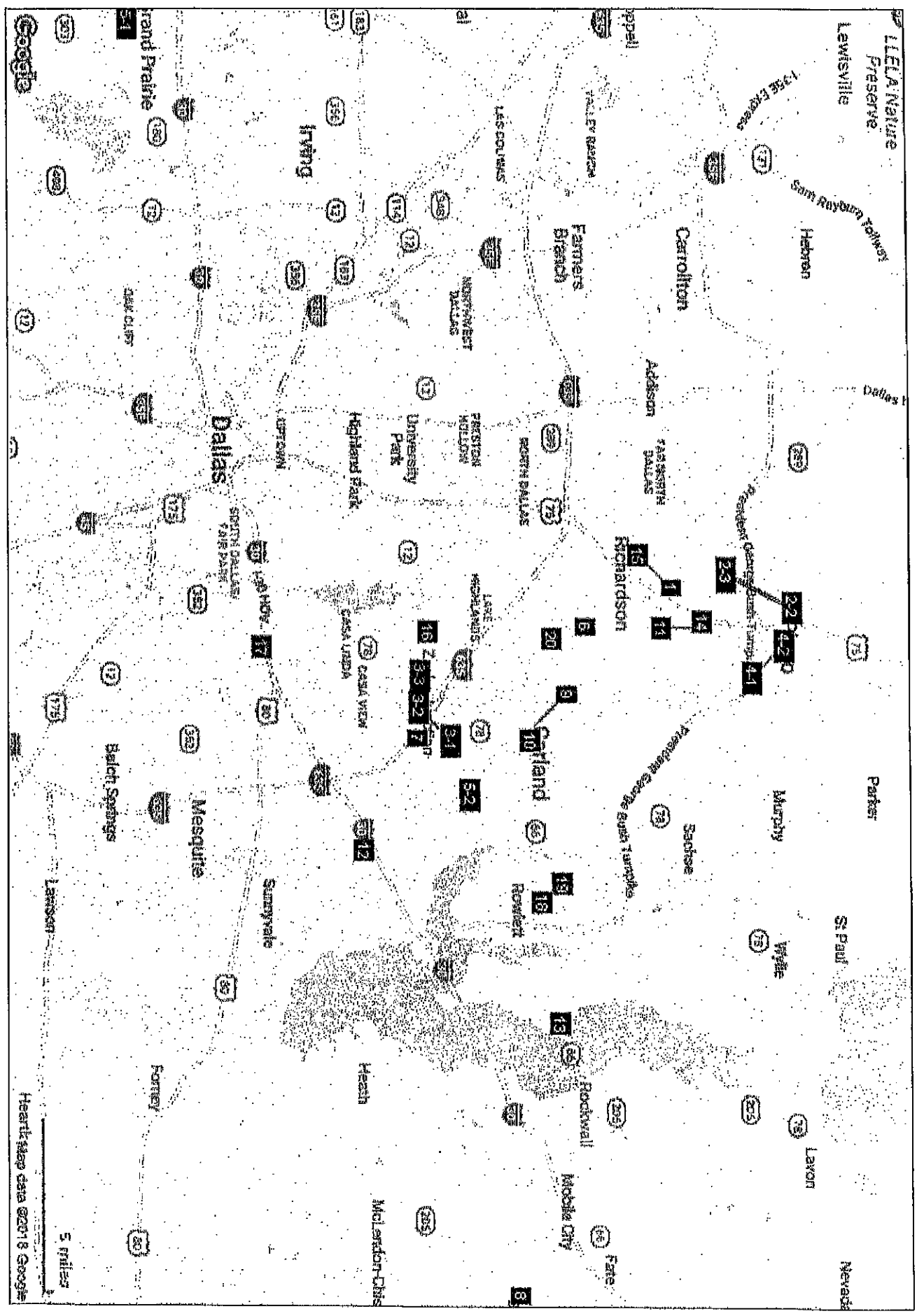
SKETCH FOR IMPROVEMENT #:



Marshall & Swift Commercial Calculation Estimate Report

Property ID: 51142	Improvement ID: 23631	Effective Age: 15	Perimeter: 215.0	# of Stories: 2.00	Rank	Cost Data as of 01/01/2018
Owner: 1995 OSPREY LLC	Section ID 421: Converted Section	Class: C	Height: 12.00			Site Area: 7,140.00
Occupancies Description	Name	Percentage	Units	Unit Cost	Total Cost New	Depreciated
344 (Office Building)		100.00%	7,140.00	\$70.80	\$505,512	424,630
Components	Description	Units				
Exterior Walls	Concrete Tilt-Up	100.00%	7,140.00	\$16.80	119,852	100,790
Heating, Cooling & Ventilation	Package Unit	100.00%	7,140.00	\$9.90	70,686	59,376
				\$57.50	696,150	584,796
Depreciation Information		16.00%				Amount
Physical & Functional						111,384
Depreciation Totals:			7,140.00	\$91.90	696,150	584,766
SECTION ID 421 TOTAL COST:					696,150	584,766
ESTIMATE TOTALS:						

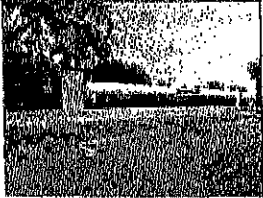




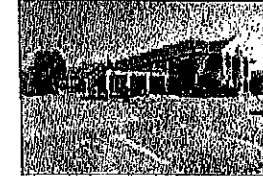
For Sale


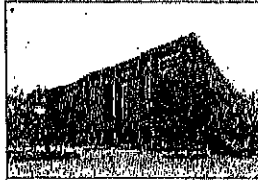


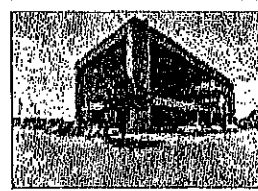
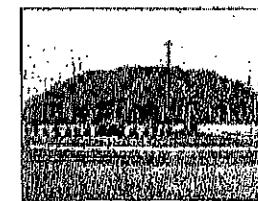


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HeartsMap data ©2018 Google

3/21/2018

7	1640 Eastgate Dr	FOR SALE
Garland, TX 75041	Dallas County	
Asking Price: - Price/SF: - Days on Market: 216 Sale Status: Active	Sale Type: Investment Bldg Type: Class B Office Bldg Status: Built 1968 RBA: 35,663 SF	
Actual Cap Rate: -	Parcel No: 264876600101R0000 Sale Conditions: -	
8	3723 S FM 551	FOR SALE
Royse City, TX 75189	Rockwall County	
Asking Price: \$1,320,000 Price/SF: \$100.00 Days on Market: 301 Sale Status: Active	Sale Type: Owner/User Bldg Type: Class B Office Bldg Status: Built 2003 RBA: 13,200 SF	
Actual Cap Rate: -	Parcel No: 82096 Sale Conditions: -	
9	1985 Forest Ln	FOR SALE
Garland, TX 75042	Dallas County	
Asking Price: \$1,500,000 Price/SF: \$84.74 Days on Market: 209 Sale Status: Active	Sale Type: Investment OR Owner/User Bldg Type: Class B Office Bldg Status: Built 1985 RBA: 17,702 SF	
Actual Cap Rate: -	Parcel No: 26180480010010000 Sale Conditions: -	
10	1530 S Forest Ln - Forest Creek Office Center	FOR SALE
Garland, TX 75042	Dallas County	
Asking Price: \$1,000,000 Price/SF: \$58.06 Days on Market: 266 Sale Status: Active	Sale Type: Investment OR Owner/User Bldg Type: Class C Office/Medical Bldg Status: Built 1978 RBA: 17,223 SF	
Actual Cap Rate: 2.21%	Parcel No: 26179400010010000 Sale Conditions: -	
11	2100 N Greenville Ave - Campbell Forum III	FOR SALE
Richardson, TX 75082	Dallas County	
Asking Price: \$3,039,190 Price/SF: \$70.00 Days on Market: 3794 Sale Status: Active	Sale Type: Owner/User Bldg Type: Class C Office Bldg Status: Built 1983 RBA: 43,417 SF	
Actual Cap Rate: -	Parcel No: 42124330000010000 Sale Conditions: -	
12	2302 Guthrie Rd - Independence Park	FOR SALE
Garland, TX 75043	Dallas County	
Asking Price: \$4,735,000 Price/SF: \$145.00 Days on Market: 292 Sale Status: Active	Sale Type: Investment Bldg Type: Class B Office Bldg Status: Built 1985 RBA: 32,656 SF	
Actual Cap Rate: 7.60%	Parcel No: 26278480010010000 Sale Conditions: -	

13	6800 Heritage Pky - The Landing	FOR SALE
Rockwall, TX 75087		
Rockwall County		
Asking Price: \$3,389,000	Sale Type: Investment	
Price/SF: \$214.96	Bldg Type: Class B Office/Medical	
Days on Market: 105	Bldg Status: Built 1986	
Sale Status: Active	RBA: 15,766 SF	
Actual Cap Rate: 7.42%	Parcel No: 28043	
Sale Conditions: -		
14	2400 Lakeside Blvd - Greenway Plaza II	UNDER CONTRACT
Richardson, TX 75082		
Dallas County		
Asking Price: -	Sale Type: Investment	
Price/SF: -	Bldg Type: Class A Office	
Days on Market: 300	Bldg Status: Built 1985 Renov 2013	
Sale Status: Under Contract	RBA: 152,969 SF	
Actual Cap Rate: 8.25%	Parcel No: 42076680020010000	
Sale Conditions: -		
15	399 Malrose Dr - Build to Suit	FOR SALE
Richardson, TX 75080		
Dallas County		
Asking Price: -	Sale Type: Investment OR Owner/User	
Price/SF: -	Condo Type: 13,700 SF Office Condo	
Days on Market: 428	Bldg Status: Built 2019	
Sale Status: Active	RBA: 13,700 SF	
Actual Cap Rate: -	Parcel No: -	
Sale Conditions: -		
16	10440 E Northwest Hwy	FOR SALE
Dallas, TX 75238		
Dallas County		
Asking Price: -	Sale Type: Investment OR Owner/User	
Price/SF: -	Bldg Type: Class C Office/Medical	
Days on Market: 279	Bldg Status: Built 1969	
Sale Status: Active	RBA: 20,665 SF	
Actual Cap Rate: -	Parcel No: 00000671068000000	
Sale Conditions: -		
17	8344 E RL Thornton Fwy - Thornton Business Center	FOR SALE
Dallas, TX 75228		
Dallas County		
Asking Price: \$4,400,000	Sale Type: Investment	
Price/SF: \$87.87	Bldg Type: Class B Office	
Days on Market: 19	Bldg Status: Built 1984 Renov 2008	
Sale Status: Active	RBA: 50,075 SF	
Actual Cap Rate: -	Parcel No: 0084740D000010000	
Sale Conditions: -		
18	5705 Rowlett Rd	FOR SALE
Rowlett, TX 75089		
Dallas County		
Asking Price: \$3,950,000	Sale Type: Investment	
Price/SF: \$239.39	Bldg Type: Class B Office/Medical	
Days on Market: 162	Bldg Status: Built 2018	
Sale Status: Active	RBA: 16,500 SF	
Actual Cap Rate: 7.09%	Parcel No: 44016660010020000	
Sale Conditions: -		

19

6901 Rowlett Rd, Unit 10,000 SF - Office/Medical Condos

FOR SALE

Rowlett, TX 75089

Dallas County

Asking Price: \$1,750,000

Price/SF: \$175.00

Days on Market: 392

Sale Status: Active

Sale Type: Investment
Condo Type: 10,000 SF Office Condo
Bldg Status: Built 2018
RBA: 17,600 SF



Actual Cap Rate: -

Parcel No: -
Sale Conditions: -

20

4555-4563 W Walnut St - Hanmi Bank Building

FOR SALE

Garland, TX 75042

Dallas County

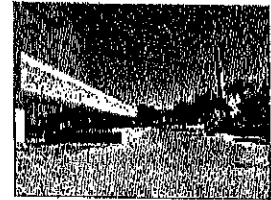
Asking Price: \$3,600,000

Price/SF: \$107.47

Days on Market: 412

Sale Status: Active

Sale Type: Investment OR Owner/User
Bldg Type: Class B Office
Bldg Status: Built 2003
RBA: 32,567 SF



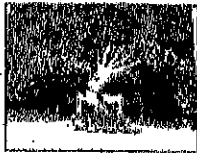
Actual Cap Rate: -

Parcel No: 26649660010010000
Sale Conditions: -

1

**UNDER
CONTRACT**

Portfolio of 3 Class B Office properties in Plano, TX, having total size of 4,000,906 SF, and for sale.



1 1255 W 15th St



2 1309 W 15th St



3 1201 W 15th St

Sacramento Terrace

**PITMAN
CREEK NORTH**

Danube Ln

Callaway Dr

Drazos Trail

Amazon Dr

**STONE PONY
APARTMENTS**1
2 3

Amherst Dr

Sagefield Dr

Drexel Dr

Cassidy Dr

Glenwick Dr
Google

Glenview Dr

550 yds

Map data ©2018 Google

Summary of Property Info - at time of sale

	Address	City, State	Type-Class	Property SF	Built	Sale Price
1	1255 W 15th St	Plano, TX	Office B	183,159 SF	1983	
2	1309 W 15th St	Plano, TX	Office B	56,668 SF	1980	
3	1201 W 15th St	Plano, TX	Office B	54,409 SF	1980	

Sales Contacts

Sales Co: **Colliers International**
 1717 McKinney Ave
 Dallas, TX 75202
 (214) 692-1100

Sales Contact 1: Crelghton Stark

Sales Contact 2: Chris Boyd

For Sale Data

Asking Price: -
 Price/SF: -
 Days on Market: 379
 Sale Status: **Under Contract**

of Properties: 3
 RBA: 294,236 SF
 Total Land Area: **10.00 AC (461,888 SF)**
 Sale Type: **Investment**

Pro Forma Cap Rate: 5.00%

Sale Conditions: -

Transaction Notes

Colliers International is pleased to exclusively offer to qualified investors a 100% fee-simple interest in CityView (the Property), located in the Dallas suburb of Plano, Texas near the new State Farm Regional Headquarters campus. CityView is comprised of the Tower, a ten-story, 183,159 square foot multi-tenant office building, and two adjacent four-story office buildings (CityView Corporate Center I and CityView Corporate Center II) containing 56,668 square feet and 54,409 square feet, respectively.

Strategically positioned to capitalize on the significant recent development in the Plano submarket, CityView offers classic design, exceptional value, and a unique lease-up opportunity for value-add, opportunistic investors.

**UNDER
CONTRACT**

(con't)

Current Building Information: 1255 W. 15th St

ID: 408370

Bldg Type:	Office	Bldg Status:	Built In Jan 1983
Class:	B	RBA:	183,159 SF
Total Avail:	36,173 SF	% Leased:	80.9%
Bldg Vacant:	43,887 SF	Rent/SF/Yr:	\$20.25
Tenancy:	Multi	Elevators:	5 with 1 frt
Owner Type:	Developer/Owner-RGNL	Core Factor:	15.0%
Owner Occupied:	No	Stories:	10
Zoning:	O-M	Typical Floor Size:	18,500 SF
Land Area:	6.15 AC	Building FAR:	0.68
		Const Type:	Steel
Expenses:	2017 Tax @ \$1.89/sf, 2012 Est Tax @ \$1.95/sf; 2009 Ops @ \$5.56/sf, 2012 Est Ops @ \$3.55/sf		
Parking:	Ratio of 3.43/1,000 SF		
Amenities:	Food Service, On Site Management, Property Manager on Site		

Location Information

Park Name: CityView Corporate Center
Metro Market: Dallas/Ft Worth
Submarket: Richardson/Plano/Plano
County: Collin
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX
Map(Page): Mapsco 658-UD

Current Building Information: 1309 W. 15th St

ID: 408385

Bldg Type:	Office	Bldg Status:	Built In Jan 1980
Class:	B	RBA:	56,668 SF
Total Avail:	56,668 SF	% Leased:	-
Bldg Vacant:	56,668 SF	Rent/SF/Yr:	\$18.00
Tenancy:	Single	Elevators:	0
Owner Type:	Developer/Owner-RGNL	Core Factor:	12.0%
Owner Occupied:	No	Stories:	4
Zoning:	O-M	Typical Floor Size:	14,167 SF
Land Area:	2.13 AC	Building FAR:	0.61
Expenses:	2017 Tax @ \$0.96/sf		
Parking:	Ratio of 3.43/1,000 SF		

Location Information

Park Name: CityView Corporate Center
Metro Market: Dallas/Ft Worth
Submarket: Richardson/Plano/Plano
County: Collin
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX
Map(Page): Mapsco 658-UD

**UNDER
CONTRACT**

(cont)

Current Building Information: 1201 W 15th St

ID: 408369

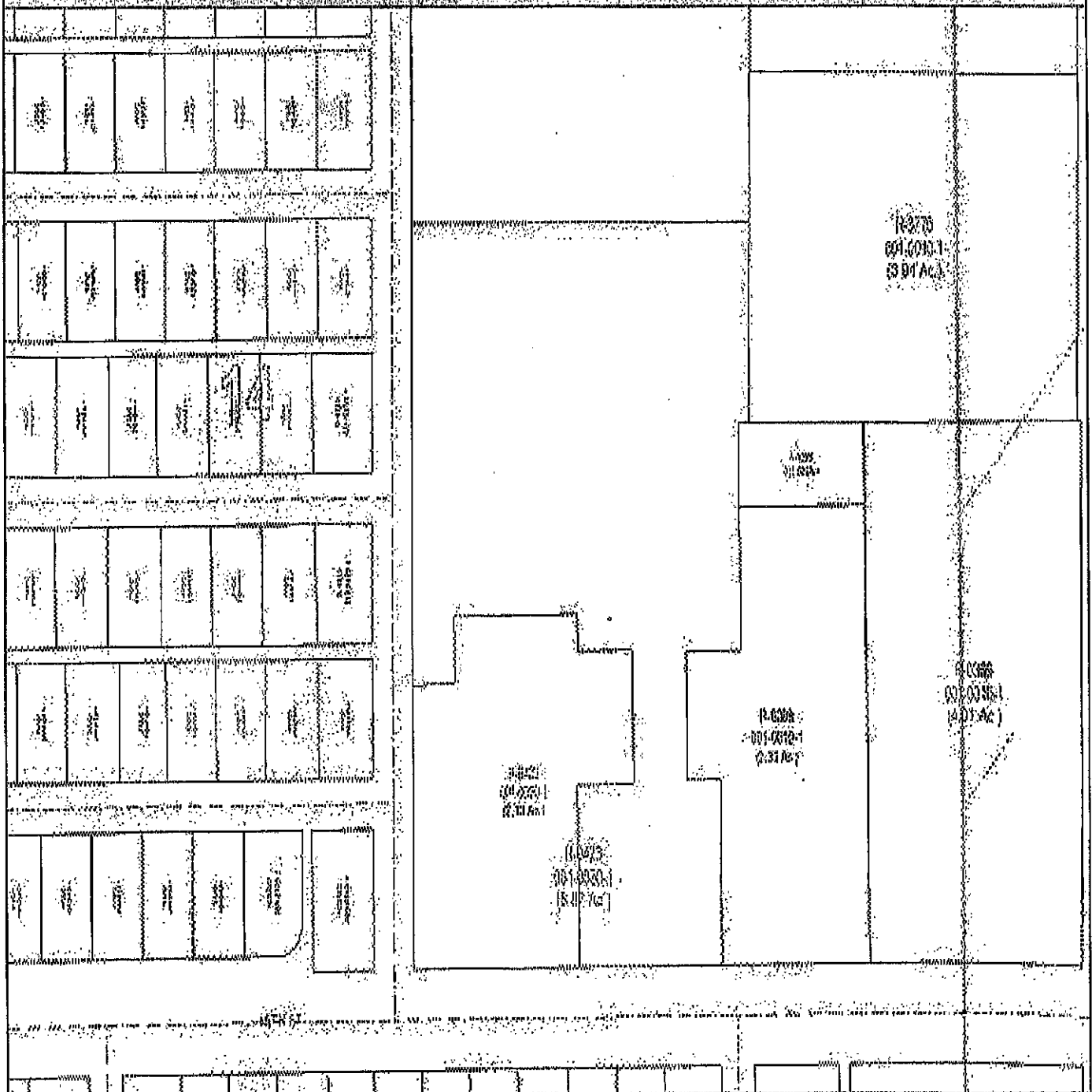
Bldg Type:	Office	Bldg Status:	Built in Jan 1980
Class:	B	RBA:	54,409 SF
Total Avail:	43,570 SF	% Leased:	19.9%
Bldg Vacant:	49,779 SF	Rent/SF/Yr:	\$18.00
Tenancy:	Multi	Elevators:	2
Owner Type:	Developer/Owner-RGNL	Core Factor:	12.0%
Owner Occupied	No	Stories:	4
Zoning:	O-M, Plano	Typical Floor Size:	13,602 SF
Land Area:	2.32 AC	Building FAR:	0.54
Expenses:	2017 Tax @ \$1.00/sf		
Parking:	170 Surface Spaces are available; Ratio of 3.43/1,000 SF		

Location Information

Park Name:	CityView Corporate Center
Metro Market:	Dallas/Ft Worth
Submarket:	Richardson/Plano/Plano
County:	Collin
CBSA:	Dallas-Fort Worth-Arlington, TX
CSA:	Dallas-Fort Worth, TX-OK
DMA:	Dallas-Ft Worth, TX
Map(Page):	Mapsco 658-UD

**UNDER
CONTRACT**

Plat Map: 1255 W 16th St



UNDER
CONTRACT

(cont)

Parcel Number: -
Legal Description: Por lot 1 blk A Pltman Office Park Add No. 1 City of Plano 1 cab B pg 175 (aka lot 1A)
County: Collin

Plat Map: 1201 W 15th St

COLUMBIA PL

15 TH ST

2

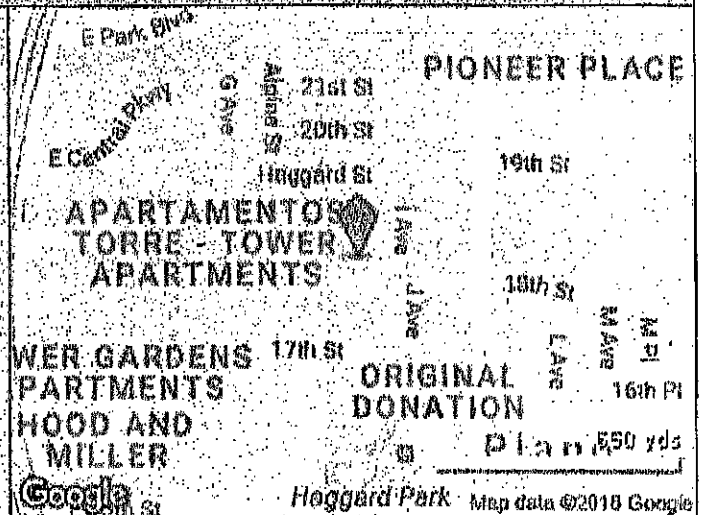
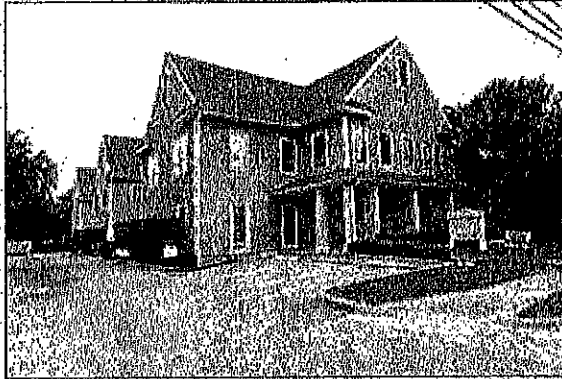
903 E 18th St - Nathaniel Barrett Building**SOLD**

Plano, TX 75074

Sale on 1/16/2018 for \$1,000,000 (\$68.93/SF) - Research Complete

Non-Arms Length

14,500 SF Class C Office Building Built in 1984



Buyer & Seller Contact Info

Buyer Type:
 Buyer Broker: **Marcus & Millichap**
Wayne Bares
 (972) 755-5279

Seller Type:
 Listing Broker: **Marcus & Millichap**
Wayne Bares
 (972) 755-5279

Transaction Details

ID: 4108398

Sale Date: **01/15/2018 (556 days on market)**
 Escrow Length: **-**
 Sale Price: **\$1,000,000-Confirmed**
 Asking Price: **\$1,100,000**
 Price/SF: **\$68.93**
 Price/AC Land Gross: **\$1,429,796.97**

Sale Type: **Investment**
 Bldg Type: **Office**
 Year Built/Age: **Built In 1984 Age: 34**
 RBA: **14,500 SF**
 Land Area: **0.70 AC (30,466 SF)**

Percent Leased: **100.0%**
 Tenancy: **Multi**
 Actual Cap Rate: **8.42%**
 Non-Market Reasons: **Partnership Dissolution**

No. of Tenants: **14**
 Tenants at time of sale: **Build My Scores; Court ABC Reporters; Douglass Co; Duit Architectural Illustration; Guest Insurance Agency; Jmv Enterprises; KOS Consulting; Manufacturers Credit Corp; North Texas Academy-Plano Home School Academy; Personal Audio; Plano Cable TV; Samuel D Rosenstein; Vecchio Joel PC; West Coast Novelty Corp**

Transaction Notes

The property was sold as a non-arms length transaction, since the property was owned by a family partnership. One partner bought out the other, and there is new debt on the property. Wayne Bares of Marcus & Millichap represented both parties in this transaction.

903 E 18th St - Nathaniel Barrett Building**SOLD**

14,508 SF Class C Office Building Built in 1984 (cont)

Current Building Information

ID: 408818

Bldg Type:	Office	Bldg Status:	Built in 1984
Class:	C	RBA:	14,508 SF
Total Avail:	0 SF	% Leased:	100.0%
Bldg Vacant:	0 SF	Rent/SF/Yr:	-
Tenancy:	Multi	Elevators:	0
Owner Type:	-	Core Factor:	-
Owner Occupied:	No	Stories:	2
Zoning:	C	Typical Floor Size:	7,254 SF
Land Area:	0.70 AC	Building FAR:	0.48
		Const Type:	Wood Frame
Expenses:	2017 Tax @ \$1.17/sf; 2017 Ops @ \$5.02/sf		
Parking:	44 free Surface Spaces are available; Ratio of 3.22/1,000 SF		
Amenities:	Balcony, Commuter Rail, Conferencing Facility, On Site Management, Property Manager on Site		

Location Information

Metro Market:	Dallas/Ft Worth
Submarket:	Richardson/Plano/Plano
County:	Collin
CBSA:	Dallas-Fort Worth-Arlington, TX
CSA:	Dallas-Fort Worth, TX-OK
DMA:	Dallas-Ft Worth, TX
Map(Page):	Mapsco 659-VD

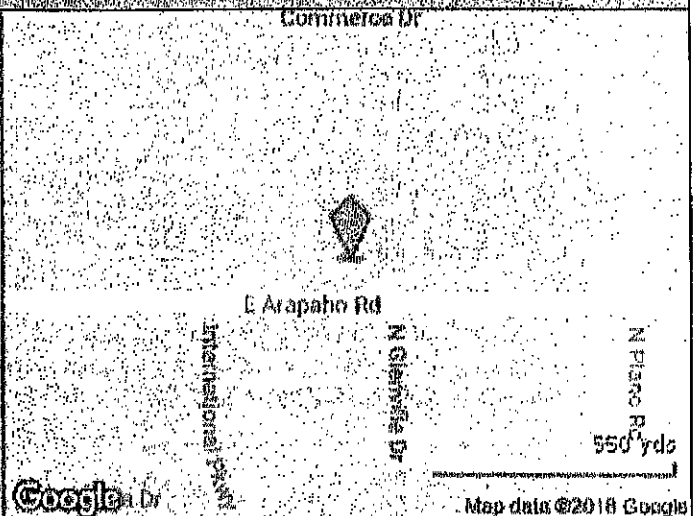
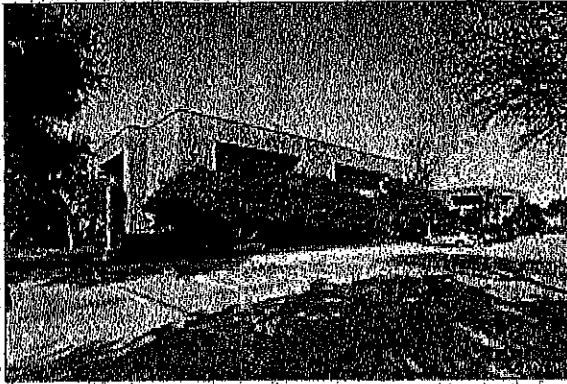
3

1101 E Arapaho Rd - Corporate Place of Richardson**SOLD**

Richardson, TX 75081

Sale on 7/21/2017 for \$4,325,000 (\$467.3/SF) - Research Complete

92,547 SF Class B Office Building Built in Jan 1979

**Buyer & Seller Contact Info****Recorded Buyer:** JP-Corporate Place, LP

True Buyer: JP Realty Partners
 2435 N Central Expy
 Richardson, TX 75080
 (972) 458-7600
Sooner National Property Management, LP
 2435 N Central Expy
 Richardson, TX 75080
 (972) 458-7600

Buyer Type: Developer/Owner-RGNL**Buyer Broker:** No Buyer Broker on Deal**Recorded Seller:** Icon 1101 E Arapaho Owner Pool 2, LLC

True Seller: Canada Pension Plan Investment Board
 1 Queen St E
 Toronto, ON M5C 3G7
 (416) 868-4075

GIC Real Estate
 168 Robinson Rd
 Singapore 068912
Global Logistic Properties Ltd
 501 Orchard Rd
 Singapore 238880

Seller Type: Pension Fund
 Sovereign Wealth Fnd
 REOC

Listing Broker: Transwestern Dallas
 Steve Simon
 (972) 774-2581
 Steve Rowland
 (972) 774-2543

Transaction Details

ID: 3864235

Sale Date: 07/21/2017 (408 days on market)
Escrow Length: 60 days
Sale Price: \$4,325,000-Confirmed
Asking Price: -
Price/SF: \$46.73
Price/AC Land Gross: \$730,697.75

Sale Type: Investment
Bldg Type: Office
Year Built/Age: Built in Jan 1979 Age: 38
RBA: 92,547 SF
Land Area: 5.92 AC (257,832 SF)

Percent Leased: 46.5%
Tenancy: Multi
Sale Conditions: High Vacancy Property

Percent Improved: 69.0%
Total Value Assessed: \$3,325,000 in 2016

1101 E Arapaho Rd - Corporate Place of Richardson**SOLD**

92,547 SF Class B Office Building Built in Jan 1979 (cont)

Improved Value Assessed **\$2,293,670**Land Value Assessed: **\$1,031,330**Land Assessed/AC: **\$174,240**No. of Tenants: **6**Tenants at time of sale: **Intrusion Inc.; Minute Menu; Paragon Wireless; PHA Consulting Engineers; Pool 2 LLC; Reef**Financing: **\$5,730,000.00 from Liberty Bankers Life Insurance Company**Parcel No: **42051500050100100**Document No: **201700206917**Sale History: **Sold for \$4,325,000 (\$46.73/SF) on 7/21/2017****Portfolio sale of 1128 properties sold for \$350,000,000 on 10/26/2015****Portfolio sale of 1123 properties sold for \$8,100,000,000 on 2/27/2015****Portfolio sale of 15 properties sold on 6/1/2007****Transaction Notes**

The information for this report has been verified with a listing broker and a buyer.

On July 21, 2017 a joint venture between The Canada Pension Plan Investment Board and GIC Real Estate International sold the 92,547 square foot office building located at 1101 East Arapaho Road in Richardson, TX to a joint venture between JP Realty Partners and Sooner National Property Management, LP. At the time of sale the subject property was called Corporate Place of Richardson.

The buyer bought the property because it fit their investment criteria.

The property was approximately 48% occupied at the time of sale.

The buyer financed this acquisition with a \$6.73 million loan provided by Liberty Bankers Life Insurance Company.

The sales price was not disclosed.

Calls were made to the seller but they were unavailable for comment at the time of publication.

Income/Expense Data**Expenses**

- Taxes

\$89,510

- Operating Expenses

Total Expenses**\$89,510****Current Building Information**

ID: 409886

Bldg Type: **Office**Class: **B**Total Avail: **23,542 SF**Bldg Vacant: **23,542 SF**Tenancy: **Multi**Owner Type: **Developer/Owner-RGNL**Owner Occupied: **No**Zoning: **I**Land Area: **5.92 AC**Bldg Status: **Built in Jan 1979**RBA: **92,547 SF**% Leased: **74.6%**Rent/SF/Yr: **\$16.75**Elevators: **0**Core Factor: **15.0%**Stories: **2**Typical Floor Size: **46,178 SF**Building FAR: **0.38**Const Type: **Masonry**Expenses: **2017 Tax @ \$0.97/sf, 2012 Est Tax @ \$1.33/sf; 2012 Est Ops @ \$5.56/sf**Parking: **300 free Surface Spaces are available; Ratio of 4.52/1,000 SF****Location Information**Metro Market: **Dallas/Ft Worth**Submarket: **Richardson/Plano/Richardson**County: **Dallas**CBSA: **Dallas-Fort Worth-Arlington, TX**

1101 E Arapaho Rd - Corporate Place of Richardson

SOLD

02,647 SF Class B Office Building Built in Jan 1979 (cont)

CSA: **Dallas-Fort Worth, TX-OK**
DMA: **Dallas-Ft Worth, TX**
Map(Page): **Mapsco 0-WD**

1101 E Arapaho Rd - Corporate Place of Richardson

SOLD

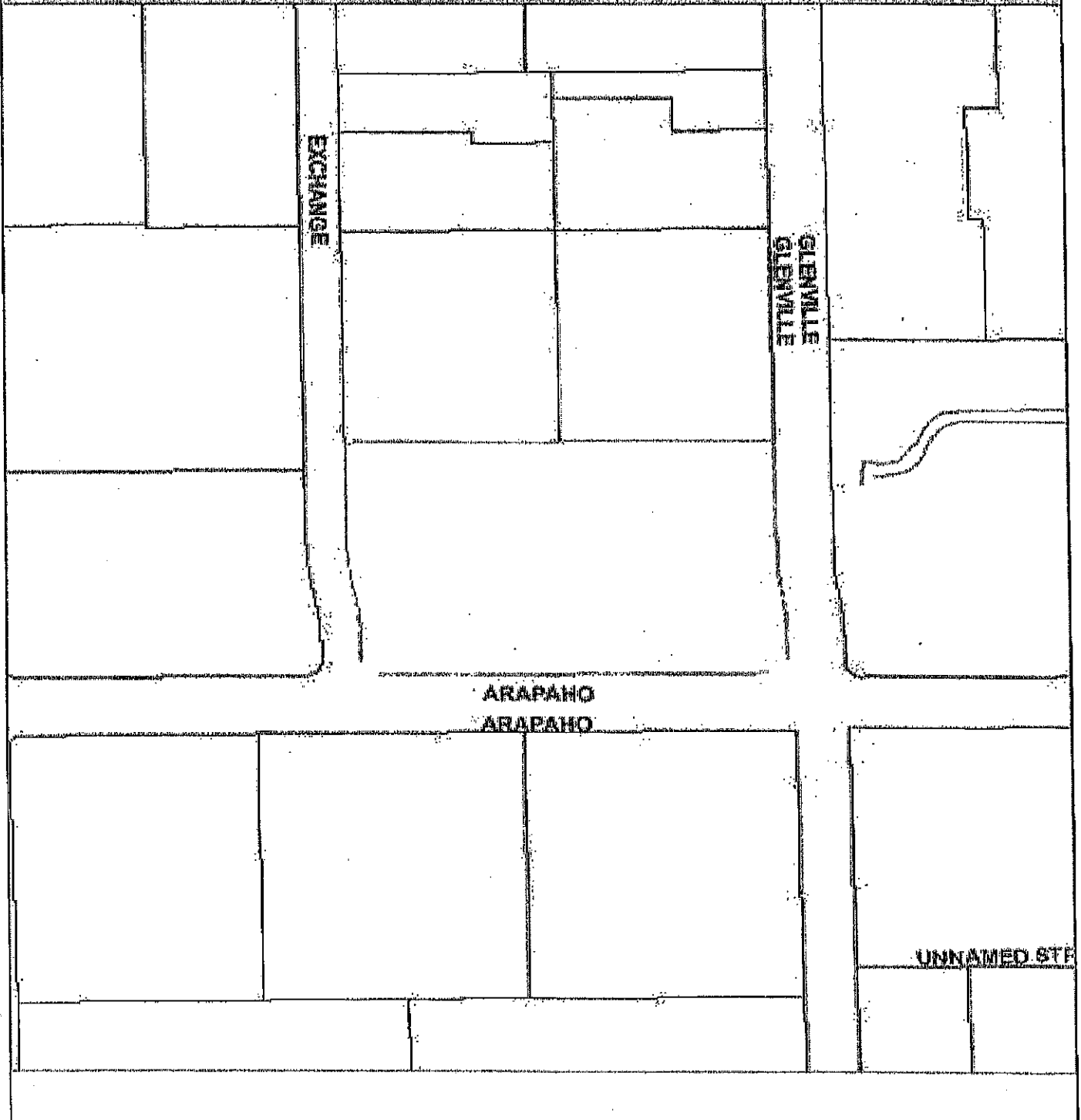
92,647 SF Class B Office Building Built in Jan 1979 (cont)

Parcel Number: **42051500050100100**

Legal Description: -

County: **Dallas**

Plat Map: 1101 E Arapaho Rd



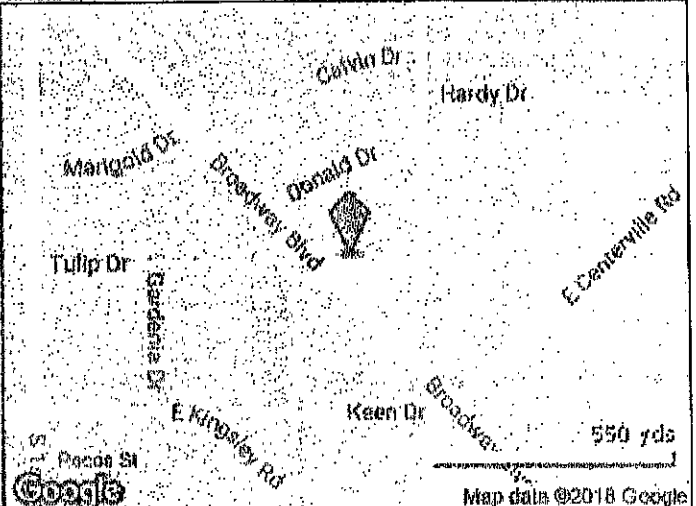
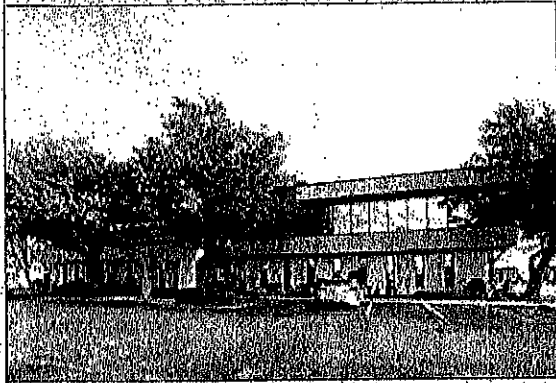
4

2910 Broadway Blvd - One Broadway Place**SOLD**

Garland, TX 75041

Sale on 7/17/2017 for \$1,110,000 (\$80.27/SF) - Research Complete

13,829 SF Class B Medical Building Built in 1975

**Buyer & Seller Contact Info**

Recorded Buyer: **Huy Nguyen & Hang Vu**
 True Buyer: **Huy Nguyen & Hang Vu**

Huy Nguyen
 2445 Chesapeake Dr
 Garland, TX 75043
 (972) 272-7816

Buyer Type: **Individual**
 Buyer Broker: **Regal Realtors**
Leighton Pinkham
 (972) 771-6970

Recorded Seller: **Youngdo Won & Sangnam Chol**
 True Seller: **Youngdo Won & Sangnam Chol**
 815 N Broad St
 Lansdale, PA 19446

Seller Type: **Individual**
 Listing Broker: **RE/MAX DFW Associates III**
David Kim
 (972) 492-6262

Transaction Details

ID: 3968388

Sale Date: **07/17/2017 (60 days on market)**
 Escrow Length: **-**
 Sale Price: **\$1,110,000-Confirmed**
 Asking Price: **\$1,120,000**
 Price/SF: **\$80.27**
 Price/AC Land Gross: **\$563,451.78**

Sale Type: **Investment**
 Bldg Type: **Medical**
 Year Built/Age: **Built in 1975 Age: 42**
 RBA: **13,829 SF**
 Land Area: **1.97 AC (85,813 SF)**

Percent Leased: **72.1%**
 Tenancy: **Multi**
 Actual Cap Rate: **7.05%**

Percent Improved: **70.1%**
 Total Value Assessed: **\$860,590 in 2016**
 Improved Value Assessed: **\$603,150**
 Land Value Assessed: **\$257,440**
 Land Assessed/AC: **\$130,880**

No. of Tenants: **3**
 Tenants at time of sale: **Charles D Glidden; Garland Oral Surg-Dental; Max Motley, D.D.S.**
 Financing: **Down payment of \$1,110,000.00 (100.0%)**
 Legal Desc: **Lot 1 Blk 1 Broadway Place No. 1 Vol 75087 pg 683**
 Parcel No: **26047700010010000**
 Document No: **000000201202**

2910 Broadway Blvd - One Broadway Place**SOLD**

13,829 SF Class B Medical Building Built in 1975 (cont)

Sale History: **Sold for \$1,110,000 (\$80.27/SF) on 7/17/2017**
Sold on 8/21/2015
Sold on 5/6/2005

Transaction Notes

On July 17, 2017 the 13,829 square foot office building at 2910 Broadway Blvd sold for \$1,110,000 or \$80.27 per square foot. The current NOI is reported to be \$78,255 which yields a cap rate of 7.05%. The buyer's broker is currently marketing two spaces for lease and the building was 72.09% occupied at the time of sale.

Current Building Information

ID: 886093

Bldg Type:	Medical	Bldg Status:	Built in 1975
Class:	B	RBA:	13,829 SF
Total Avail:	3,860 SF	% Leased:	72.1%
Bldg Vacant:	3,860 SF	Rent/SF/Yr:	\$16.31
Tenancy:	Multit	Elevators:	1
Owner Type:	Individual	Core Factor:	-
Owner Occupied:	No	Stories:	2
Zoning:	GBD-Garland	Typical Floor Size:	6,914 SF
Land Area:	1.97 AC	Building FAR:	0.16
		Const Type:	Masonry

Expenses: 2016 Tax @ \$1.75/sf; 2015 Ops @ \$5.60/sf

Parking: 79 free Surface Spaces are available; 11 Covered Spaces are available; Ratio of 7.23/1,000 SF

Location Information

Metro Market: Dallas/Ft Worth
Submarket: East Dallas/Garland
County: Dallas
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX

2910 Broadway Blvd - One Broadway Place

SOLD

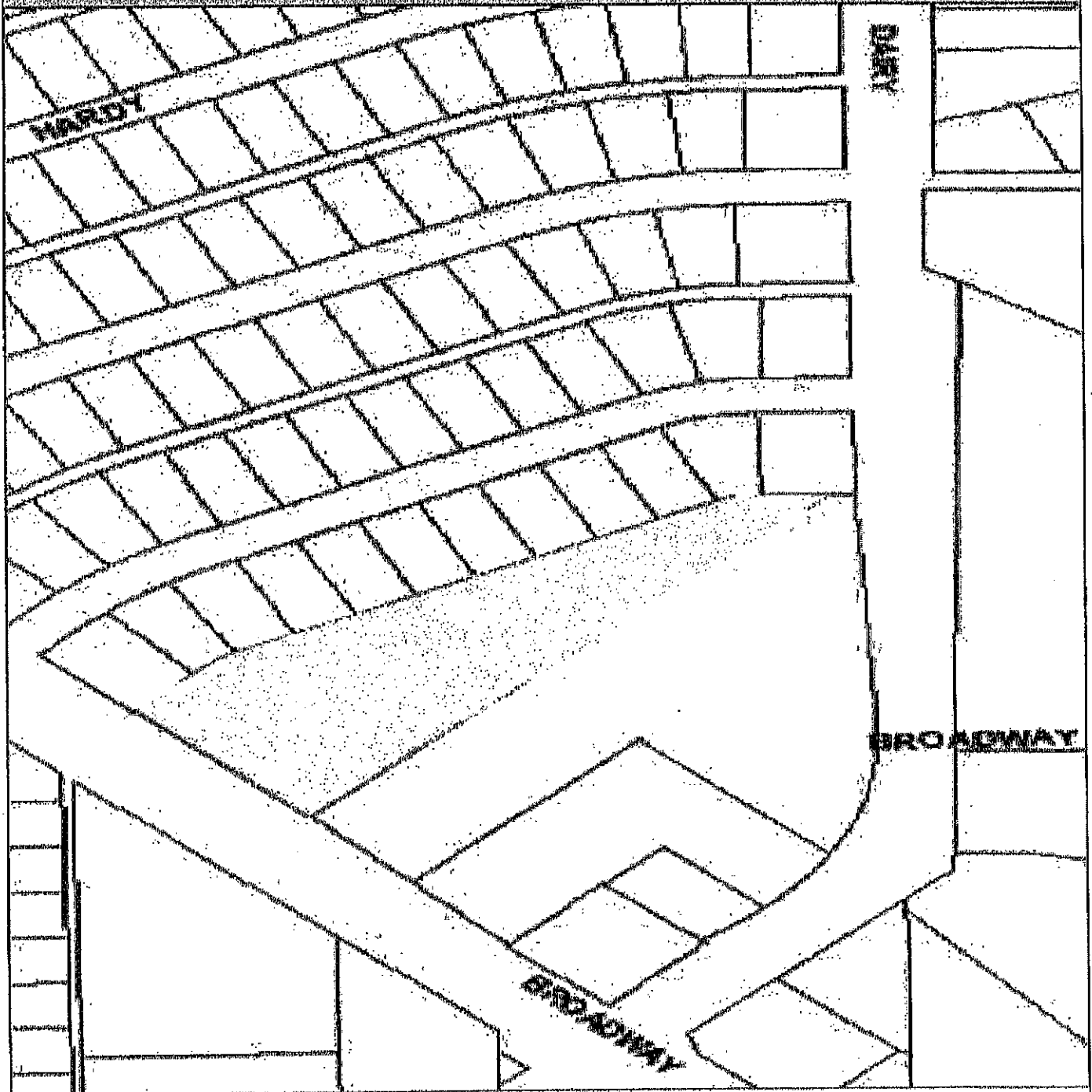
13,628 SF Class B Medical Building Built In 1976 (cont)

Parcel Number: 26047700010010000

Legal Description: Lot 1 blk 1 Broadway Place No 1 vol 75087 pg 683

County: Dallas

Plat Map: 2910 Broadway Blvd



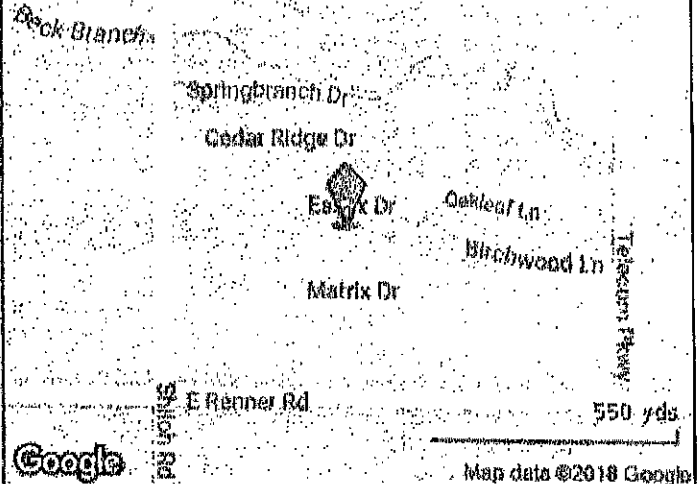
5

3304 Essex Dr - Building B6 - Renner Business Park**SOLD**

Richardson, TX 75082

Sale on 9/11/2017 for \$1,950,000 (\$116.07/SF) - Research Complete

16,800 SF Class B Office Building Built in Nov 2005

**Buyer & Seller Contact Info**

Recorded Buyer: ABRE Holdings, LLC
Dhillon Living Trust
True Buyer: Ampex Brands LLC
 Tabassum Muntaz
 17774 Preston Rd
 Dallas, TX 75252
 (469) 917-3800
Tajay Restaurants, Inc.
Ajay Dhillon
 101 Serpentine Ln
 Pleasanton, CA 94506
 (925) 462-0559
Buyer Type: Corporate/User
Buyer Broker: Beam Real Estate, LLC
Jack Godhwani
 (972) 484-6644

Recorded Seller: RightNow Ministries International
True Seller: RightNow Media
Brian Mosley
 6300 Henneman Way
 Allen, TX 75013
 (972) 560-4300
Seller Type: Non Profit
Listing Broker: Bradford Companies
Michael Grant
 (972) 776-7062
Susan Slinger
 (972) 776-7043

Transaction Details

ID: 4018818

Sale Date: 09/11/2017 (167 days on market)	Sale Type: Owner/User
Escrow Length: -	Bldg Type: Office
Sale Price: \$1,950,000-Confirmed	Year Built/Age: Built in Nov 2005 Age: 11
Asking Price: \$2,100,000	RBA: 16,800 SF
Price/SF: \$116.07	Land Area: 1.34 AC (58,562 SF)
Price/AC Land Gross: \$1,450,461.17	
Percent Leased: 100.0%	Percent Improved: 88.4%
Tenancy: Multi	Total Value Assessed: \$2,012,360 in 2016
	Improved Value Assessed: \$1,778,181
	Land Value Assessed: \$234,179

3304 Essex Dr - Building B6 - Renner Business Park**SOLD**

16,800 SF Class B Office Building Built in Nov 2005 (cont)

Land Assessed/AC: \$174,188

No. of Tenants: 1
Tenants at time of sale: **Ampex Brands**
Financing: **Down payment of \$390,000.00 (20.0%)
\$1,560,000.00 from Bank Of San Antonio**
Legal Desc: **Lot 7, Blk B, JT McCullough Survey, Abstract# 633, Collin County.**
Parcel No: **R2663758**
Document No: **1219020**

Income Expense Data

Expenses	- Taxes	\$47,013
	- Operating Expenses	
	Total Expenses	\$47,013

Current Building Information

ID: 883272

Bldg Type:	Office	Bldg Status:	Built in Nov 2005
Class:	B	RBA:	16,800 SF
Total Avail:	0 SF	% Leased:	100.0%
Bldg Vacant:	0 SF	Rent/SF/Yr:	-
Tenancy:	Single	Elevators:	0
Owner Type:	Corporate/User	Core Factor:	-
Owner Occupied:	No	Stories:	1
Zoning:	I-M(1)	Typical Floor Size:	16,800 SF
Land Area:	1.34 AC	Building FAR:	0.29
Lot Dimensions:	140x120		

Expenses: 2017 Tax @ \$2.80/sf; 2005 Ops @ \$3.04/sf
Parking: 75 Surface Spaces are available; Ratio of 4.00/1,000 SF
Amenities: Skylights

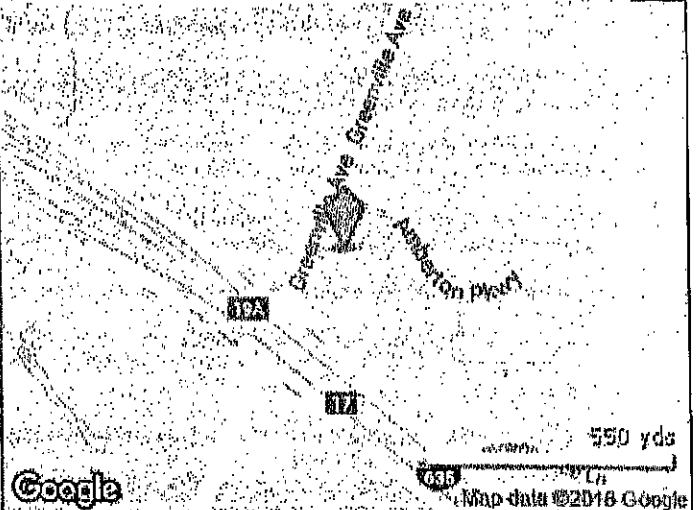
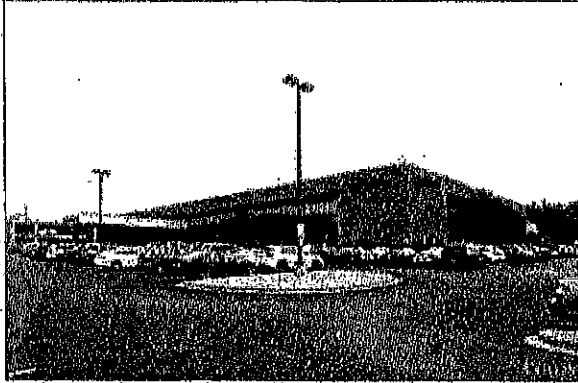
Location Information

Park Name: **Renner Business Park**
Located: **Phase II, Bldg B6**
Metro Market: **Dallas/Ft Worth**
Submarket: **Richardson/Plano/Richardson**
County: **Collin**
CBSA: **Dallas-Fort Worth-Arlington, TX**
CSA: **Dallas-Fort Worth, TX-OK**
DMA: **Dallas-Ft Worth, TX**

12606 Greenville Ave - Northpoint Medical Arts**SOLD**

Dallas, TX 75243

Sale on: 12/7/2017 for \$19,250,000 (\$161.93/SF) - Research Complete
 118,876 SF Class B Medical Building Built In 1980 Renov 2007

**Buyer & Seller Contact Info**

Recorded Buyer: HTA-Northpoint Medical Arts, LLC
True Buyer: Healthcare Trust of America, Inc.
 18435 N Scottsdale
 Scottsdale, AZ 85254
 (480) 998-3478

Buyer Type: Public REIT
Buyer Broker: No Buyer Broker on Deal

Recorded Seller: Northpoint Medical Partners Ltd
True Seller: Malouf Interests, Inc.
Matt Malouf
 3811 Turtle Creek Blvd
 Dallas, TX 75219
 (214) 219-4900
Seller Type: Developer/Owner-RGNL
Listing Broker: JLL
Brian Bacharach
 (214) 438-8462

Transaction Details

ID: 4104214

Sale Date: 12/07/2017 (36 days on market)
Escrow Length: 30 days
Sale Price: \$19,250,000-Confirmed
Asking Price: -
Price/SF: \$161.93
Price/AC Land Gross: \$2,873,134.33

Percent Leased: 82.0%
Tenancy: Multi

Sale Type: Investment
Bldg Type: Medical
Year Built/Age: Built in 1980, Renov 2007 Age: 37
RBA: 118,876 SF
Land Area: 6.70 AC (291,852 SF)

Percent Improved: 86.2%
Total Value Assessed: \$12,016,860 in 2017
Improved Value Assessed: \$10,353,570
Land Value Assessed: \$1,663,290
Land Assessed/AC: \$248,252

No. of Tenants: 12
Tenants at time of sale: CleanSlate Centers Inc.; Concorde Career College; Dallas Specialty Center - Adult Medicine; NoxGen Oncology; North Point Pediatric Care PA; NorthPoint Cancer Center; Preston Village Pharmacy; Swelling Treatment Center; Texas Health Resources - Pediatrics; TLC Lymphedema and Physical Therapy; UT Southwestern North Dallas Ophthalmology Clinic; Vivere Dallas Surgery Center

Financing: Down payment of \$19,250,000.00 (100.0%)

Parcel No: 0000081111150000, 0000081111110000

12606 Greenville Ave - Northpoint Medical Arts**SOLD**

118,876 SF Class B Medical Building, Built in 1980, Renov 2007 (cont)

Document No: 20170357727

Sale History: Sold for \$19,250,000 (\$161.93/SF) on 12/7/2017
 Sold on 4/30/2015
 Portfolio sale of 2 properties sold on 12/18/2003

Transaction Notes

The buyer reported, in a quarterly filing, that it acquired the Northpoint Medical Arts building, +/-119,000square feet, for \$19.25 million, or approximately \$162 per square foot, in the fourth quarter.

The property was approximately 82% occupied at time of sale, with asking rents at \$23-25 modified gross. The seller, who acquired the asset at 60% occupancy in 2015, had always intended it to be a short-term hold.

The asset was widely marketed and sold with no unusual conditions.

The buyer reported its 2017 acquisitions at 5-5.5% cap rate, but this included a number of large portfolios, mostly of on-campus or campus adjacent medical office, that sold at very low cap rates. It was reported that the buyer had additional capital that it wished to use before the year was over.

An earlier Investor presentation from Healthcare Trust of America reported the purchase price at \$19.8 million; we are not certain of the discrepancy between the buyer's filings.

Income/Expense Data

Expenses	- Taxes	\$329,105
	- Operating Expenses	
	Total Expenses	\$329,105

Current Building Information

ID: 409443

Bldg Type:	Medical	Bldg Status:	Built in 1980, Renov 2007
Class:	B	RBA:	118,876 SF
Total Avail:	21,396 SF	% Leased:	82.0%
Bldg Vacant:	21,396 SF	Rent/SF/Yr:	\$24.00
Tenancy:	Multi	Elevators:	0
Owner Type:	Public REIT	Core Factor:	13.1%
Owner Occupied:	No	Stories:	2
Zoning:	PD-44	Typical Floor Size:	59,438 SF
Land Area:	6.70 AC	Building FAR:	0.41
Lot Dimensions:	590x365	Const Type:	Masonry
Expenses:	2017 Tax @ \$2.77/sf; 1999 Est Ops @ \$4.90/sf		
Parking:	Free Surface Spaces; Ratio of 6.00/1,000 SF		
Amenities:	Atrium, Property Manager on Site, Signage		

Location Information

Metro Market: Dallas/Ft Worth
 Submarket: LBJ Freeway/East LBJ Freeway
 County: Dallas
 CBSA: Dallas-Fort Worth-Arlington, TX
 CSA: Dallas-Fort Worth, TX-OK
 DMA: Dallas-Ft Worth, TX
 Map/Page: Mapsco 17-8D

12606 Greenville Ave - Northpoint Medical Arts

SOLD

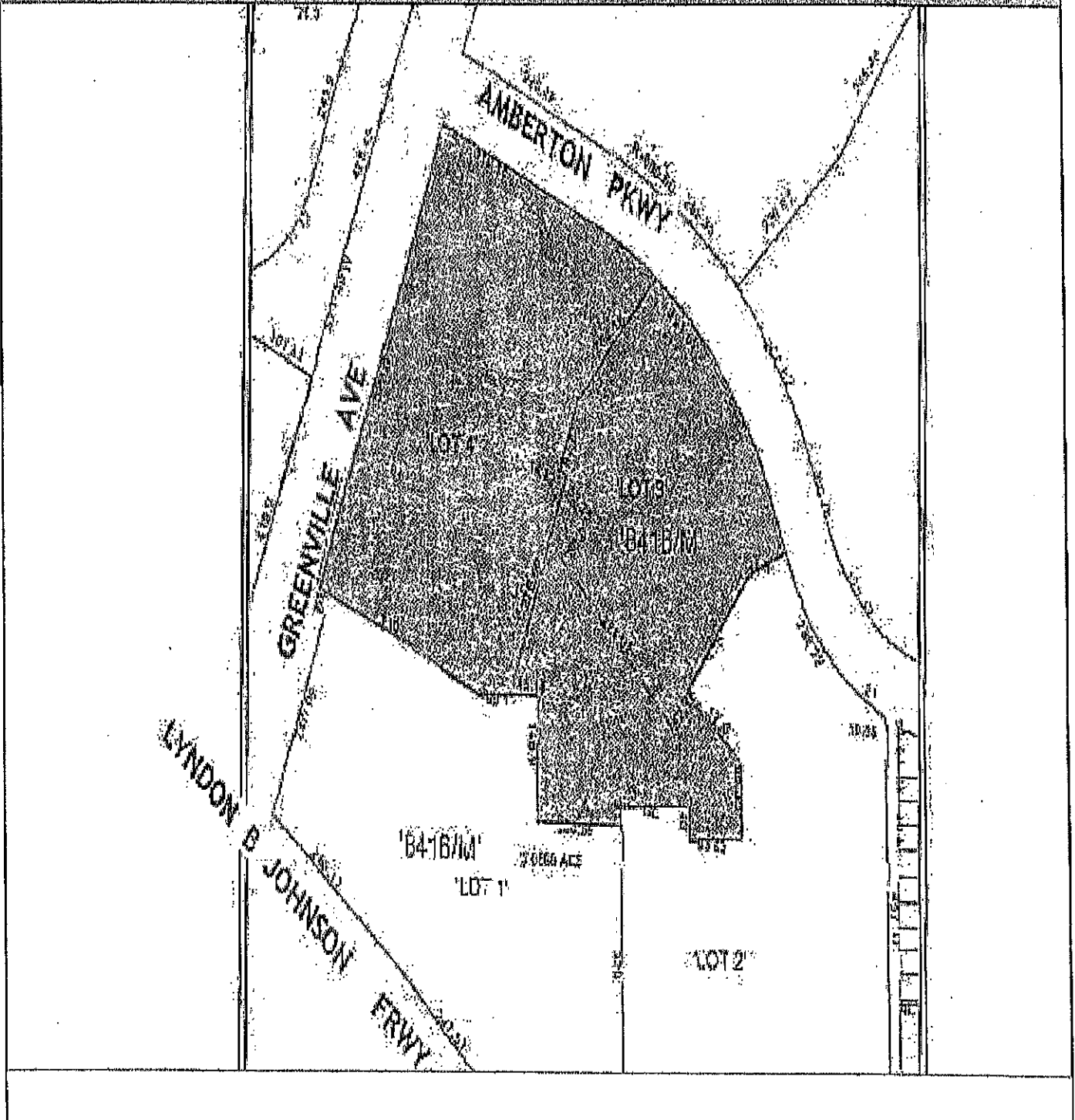
116,876 SF Class B Medical Building Built in 1980 / Renov 2007 (cont)

Parcel Number: 00000811111150000, 00000811111100000

Legal Description: -

County: Dallas

Plat Map: 12606 Greenville Ave



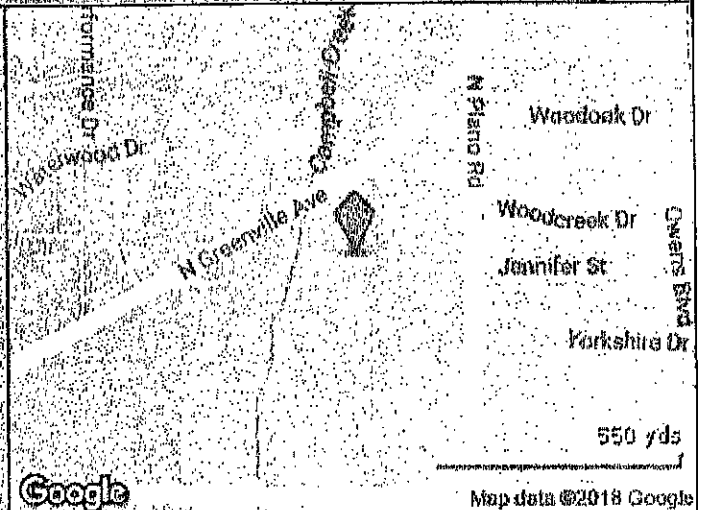
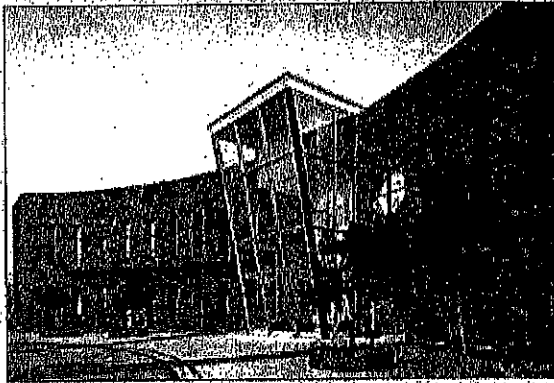
2280 N Greenville Ave - Campbell Creek Business Park**SOLD**

7

Richardson, TX 76082

Sale on 5/25/2017 for \$52,600,000 (\$230.19/SF) - Research Complete

228,506 SF Class B Office Building Built In Apr 1997, Renov Jan 2016

**Buyer & Seller Contact Info****Recorded Buyer:** 2280 North Greenville Avenue Texas, LLC**True Buyer:** Intercontinental Real Estate Corporation

Paul Nasser

1270 Soldiers Field Rd

Boston, MA 02135

(617) 782-2600

Buyer Type: Investment Manager**Recorded Seller:** 2280 Greenville Venture LP**True Seller:** Foundry Commercial

420 S Orange Ave

Orlando, FL 32801

(407) 540-7700

CenterSquare Investment Management

630 W Germantown Pike

Plymouth Meeting, PA 19462

(610) 834-9500

Seller Type: Equity Funds
Investment Manager**Listing Broker:** CBRE

Gary Carr

(214) 979-6301

Transaction Details

ID: 3921403

Sale Date: 05/25/2017**Escrow Length:** 60 days**Sale Price:** \$52,600,000-Confirmed**Asking Price:** -**Price/SF:** \$230.19**Price/AC Land Gross:** \$2,576,158.29**Percent Leased:** 100.0%**Tenancy:** Single**Pro Forma Cap Rate:** 6.06%**Sale Conditions:** Investment Triple Net**Sale Type:** Investment**Bldg Type:** Office**Year Built/Age:** Built in Apr 1997, Renov Jan 2016 Age: 20**RBA:** 228,506 SF**Land Area:** 20.42 AC (889,408 SF)**Percent Improved:** 74.6%**Total Value Assessed:** \$21,000,000 In 2016**Improved Value Assessed:** \$15,663,550**Land Value Assessed:** \$5,336,450**Land Assessed/AC:** \$261,360

2280 N Greenville Ave - Campbell Creek Business Park**SOLD**

228,506 SF Class B Office Building Built in Apr 1997/ Renov Jan 2016 (cont)

No. of Tenants: **1**

Tenants at time of sale: **Geico Regional Office**

Financing: **Down payment of \$32,600,000.00 (62.0%)
\$20,000,000.00 from Branch Banking & Trust Company**

Legal Desc: **Lot 5B blk A Campbell Creek Add vol 250233 pg 2015**

Parcel No: **420190000A05B0000**

Document No: **201700148524**

Sale History: **Sold for \$52,600,000 (\$230.19/SF) on 5/25/2017
Portfolio sale of 2 properties sold on 12/18/2014
Portfolio sale of 4 properties sold on 6/29/2011**

Transaction Notes

2280 N Greenville Avenue in Richardson was sold on May 25, 2017 for \$52.6 million. The 228,506 square foot, single tenant office building is triple-net leased to Geico through 2027.

The seller acquired the building, vacant at the time, in 2014. The building renovations were completed in January 2016 when Geico's 12 year lease commenced. The renovation of the building for Geico included an expansion of the 2nd floor by 34,000 square feet. In addition, a former warehouse on the site was converted to climate-controlled covered parking.

A party to the transaction confirmed the information in the report. The cap rate was 6.06% based on a net operating income of about \$3.19 million.

The buyers obtained financing in the amount of \$20 million through Branch Banking & Trust.

Income Expense Data

Expenses	- Taxes	\$638,061
	- Operating Expenses	
	Total Expenses	\$638,061

Current Building Information

ID: 920661

Bldg Type:	Office	Bldg Status:	Built in Apr 1997, Renov Jan 2016
Class:	B	RBA:	228,506 SF
Total Avail:	0 SF	% Leased:	100.0%
Bldg Vacant:	0 SF	Rent/SF/Yr:	-
Tenancy:	Single	Elevators:	0
Owner Type:	Investment Manager	Core Factor:	-
Owner Occupied:	No	Stories:	2
Zoning:	I	Typical Floor Size:	114,253 SF
Land Area:	20.42 AC	Building FAR:	0.26
Expenses:	2017 Tax @ \$2.79/sf, 2012 Est Tax @ \$0.86/sf; 2011 Ops @ \$1.73/sf, 2012 Est Ops @ \$1.73/sf		
Parking:	947 Surface Spaces are available; 413 Covered Spaces are available; Ratio of 5.95/1,000 SF		

Location Information

Park Name: Campbell Creek Business Park

Metro Market: Dallas/Ft Worth

Submarket: Richardson/Plano/Richardson

County: Dallas

CBSA: Dallas-Fort Worth-Arlington, TX

CSA: Dallas-Fort Worth, TX-OK

DMA: Dallas-Ft Worth, TX

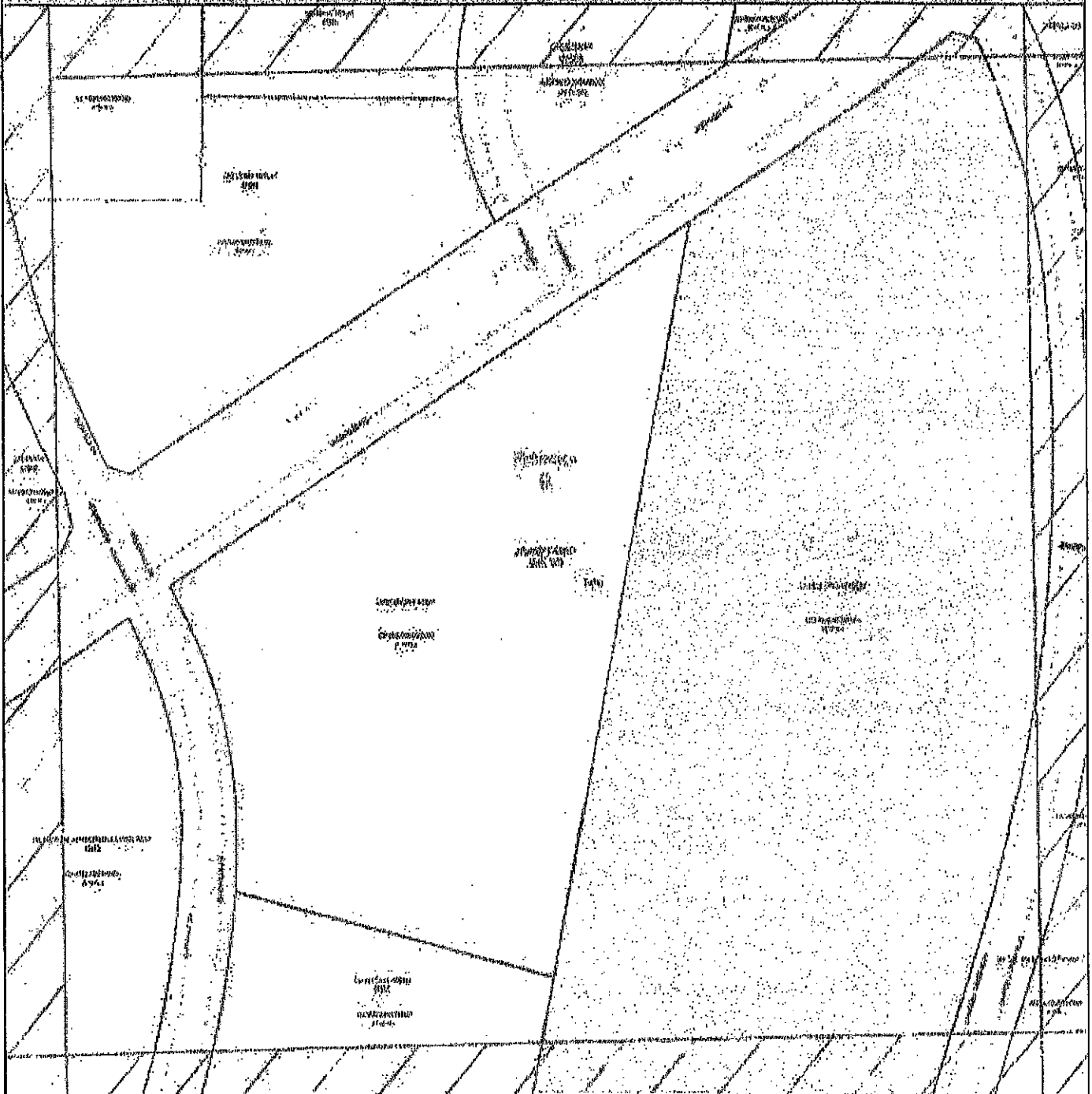
2280 N Greenville Ave - Campbell Creek Business Park

SOLD

228,506 SF Class B Office Building Built In Apr 1997 - Rend Jan 2016 (cont)

Parcel Number: **420190000A05B0000**
Legal Description: -
County: **Dallas**

Plat Map: 2280 N Greenville Ave

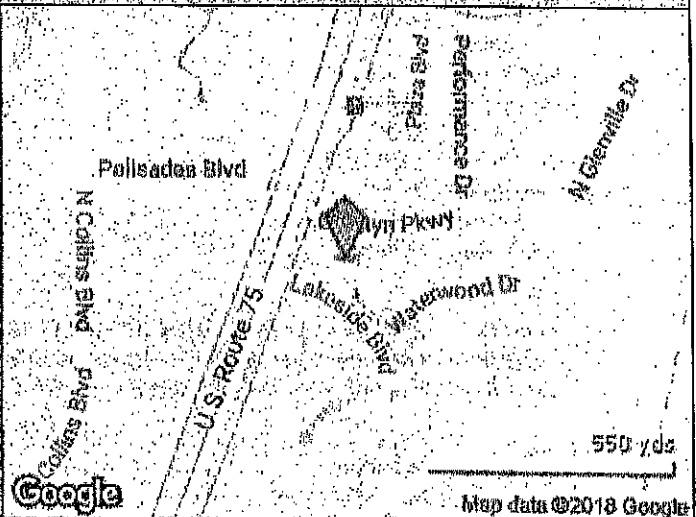
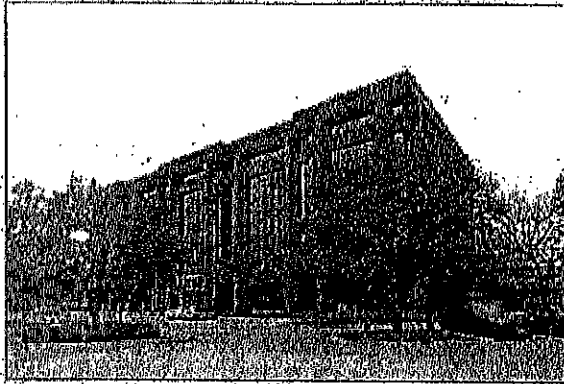


2400 Lakeside Blvd - Greenway Plaza II - Greenway

Richardson, TX 75082

152,969 SF Office Building Built in 1985, Renov 2013

Property is for sale

**UNDER
CONTRACT****Sale Contacts**Sales Co: **Colliers International**1717 McKinney Ave
Dallas, TX 75202

(214) 692-1100

Sales Contact 1: Creighton Stark
(214) 706-6029Sales Contact 2: Chris Boyd
(214) 706-6047**For Sale Data**

Asking Price: -

Price/SF: -

Days on Market: 300

Sale Status: **Under Contract**

Actual Cap Rate: -

Percent Leased: 82.8% (26,335 SF Avail)

Tenancy: **Multi**

Parcel No: 42076680020010000

Sale Type: **Investment**Bldg Status: **Built In 1985, Renov 2013**RBA: **152,969 SF****Transaction Notes**

The newly renovated, approximately 152,969 square foot Class A office building boasts attractive finishes, an impressive 5:1,000 parking ratio, and a superior location benefiting from record corporate expansion, relocation and investment in the area.

Greenway Plaza II, located in the North Dallas submarket of Richardson, Texas, is an outstanding Class A asset situated in the well-established business-friendly Telecom Corridor so named for the abundance of telecommunications heavy hitters that lined its streets in the 1990s, including MCI, Nortel and Verizon.

2400 Lakeside Blvd - Greenway Plaza II - Greenway

Property is for sale (cont)

**UNDER
CONTRACT****Current Building Information**

ID: 410023

Bldg Type:	Office	Bldg Status:	Built in 1985, Renov 2013
Class:	A	RBA:	152,969 SF
Total Avail:	26,335 SF	% Leased:	82.8%
Bldg Vacant:	42,736 SF	Rent/SF/Yr:	\$23.50
Tenancy:	Multi	Elevators:	0
Owner Type:	Public REIT	Core Factor:	12.0%
Owner Occupied:	No	Stories:	7
Zoning:	C, Richardson	Typical Floor Size:	21,705 SF
Land Area:	4.90 AC	Building FAR:	0.72
		Const Type:	Masonry
Expenses:	2017 Tax @ \$3.35/sf, 2012 Est Tax @ \$0.85/sf; 2013 Ops @ \$3.87/sf, 2012 Est Ops @ \$3.56/sf		
Parking:	190 Surface Spaces are available; 370 Covered Spaces are available; Ratio of 5.00/1,000 SF		
Amenities:	Controlled Access, Fitness Center, Food Service, On Site Management, Security System, Signage		

Location Information

Park Name: Greenway
Metro Market: Dallas/Ft Worth
Submarket: Richardson/Plano/Richardson
County: Dallas
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX
Map(Page): Mapsco 7-RD

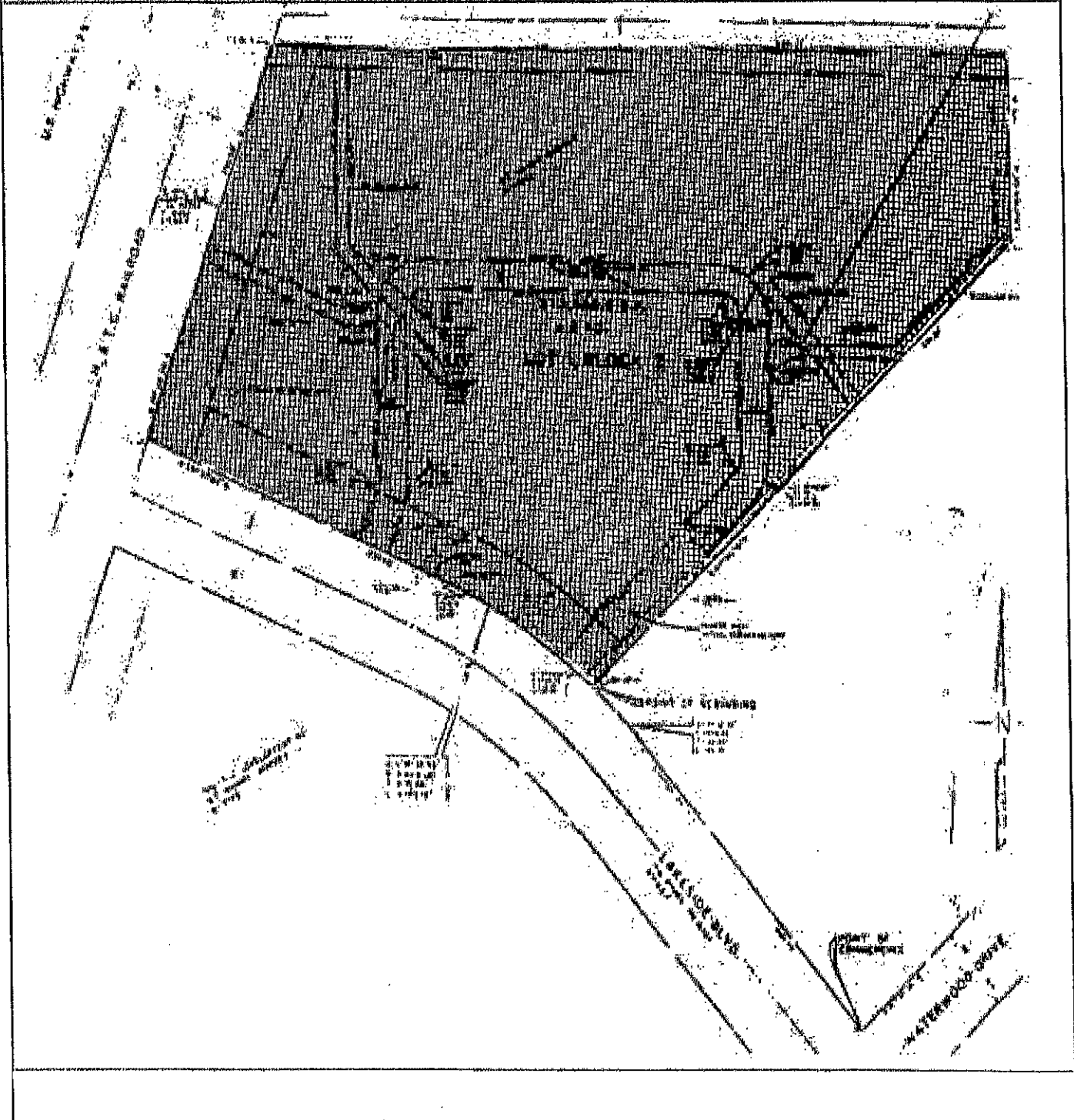
2400 Lakeside Blvd - Greenway Plaza II - Greenway

Property is for sale (cont)

**UNDER
CONTRACT**

Parcel Number: -
Legal Description: Lot 1 blk 2 Greenway City of Richardson
County: Dallas

Plat Map: 2400 Lakeside Blvd



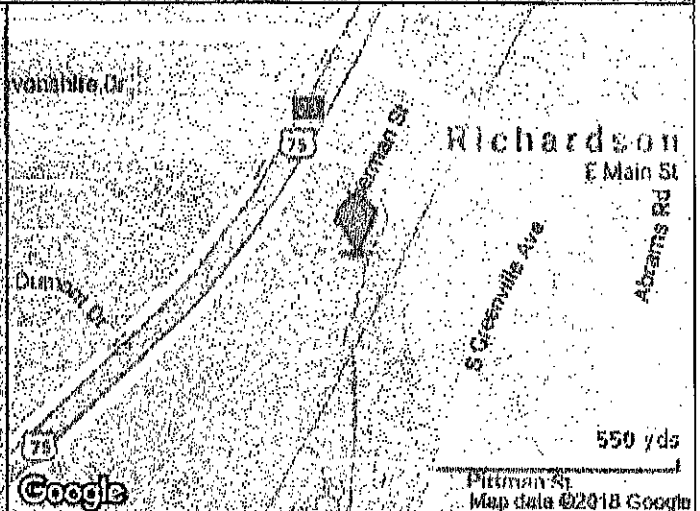
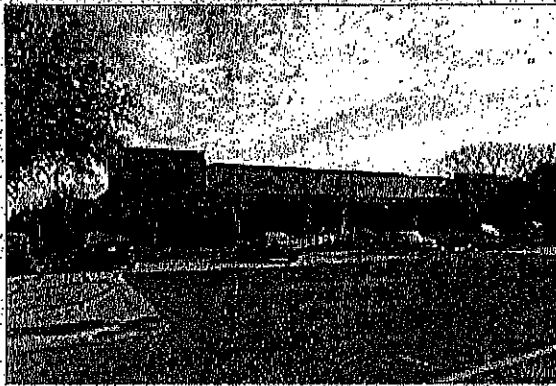
351 S Sherman St - Phillips Square**SOLD**

9

Richardson, TX 75081

Sale on 11/30/2017 for \$1,200,000 (\$100.05/SF) - Research Complete

11,994 SF Class O Office Building Built in 1984

**Buyer & Seller Contact Info****Recorded Buyer:** Iglesia Evangelica Alpha Y Omega, Inc.**True Buyer:** Iglesia Evangelica Alpha Y Omega, Inc.Jesus Orellana
PO Box 860128
Plano, TX 75086
(214) 770-4559**Buyer Type:** Religious**Recorded Seller:** Valquest, Inc.**True Seller:** Valquest, Inc.Phillip Catagnus
351 S Sherman St
Richardson, TX 75081
(972) 234-2954**Seller Type:** Individual**Listing Broker:** NAI Robert Lynn
Mark Robertson
(214) 256-7112**Transaction Details**

ID: 4089077

Sale Date: 11/30/2017 (295 days on market)**Escrow Length:** 45 days**Sale Price:** \$1,200,000-Confirmed**Asking Price:** \$1,350,000**Price/SF:** \$100.05**Price/AC Land Gross:** \$960,000.00**Percent Leased:** 100.0%**Tenancy:** Multi**Sale Type:** Owner/User**Bldg Type:** Office**Year Built/Age:** Built in 1984 Age: 33**RBA:** 11,994 SF**Land Area:** 1.25 AC (54,450 SF)**Percent Improved:** 66.3%**Total Value Assessed:** \$970,500 in 2017**Improved Value Assessed:** \$643,800**Land Value Assessed:** \$326,700**Land Assessed/AC:** \$261,360**No. of Tenants:** 2**Tenants at time of sale:** New Horizon Exploration Inc; United Pro-Need Funeral Plans**Financing:** Down payment of \$1,200,000.00 (100.0%)**Legal Desc:** WH Dye SVY, ABS 414, VOL 83038, PG 388

351 S Sherman St - Phillips Square**SOLD**

11,994 SF Class C Office Building Built in 1984 (cont)

Parcel No: 42104600010010000
Document No: 20170338589
Sale History: Sold for \$1,200,000 (\$100.05/SF) on 11/30/2017
Sold on 2/5/1999

Transaction Notes

The listing broker confirmed the price and size. There were no conditions. Both the buyer and seller acknowledged the sale, but did not comment on the transaction. The 11,994 sf office building sold for \$100.05 per sf.

Income Expense Data

Expenses	- Taxes	\$25,931
	- Operating Expenses	
	Total Expenses	\$25,931

Current Building Information

ID: 419818

Bldg Type: Office	Bldg Status: Built In 1984
Class: C	RBA: 11,994 SF
Total Avail: 0 SF	% Leased: 100.0%
Bldg Vacant: 0 SF	Rent/SF/Yr: -
Tenancy: Multi	Elevators: 0
Owner Type: Religious	Core Factor: -
Owner Occupied Yes	Stories: 1
Zoning: Z137	Typical Floor Size: 11,994 SF
Land Area: 1.25 AC	Building FAR: 0.22
Lot Dimensions: 271x201	Const Type: Masonry
Expenses: 2017 Tax @ \$2.16/sf	
Parking: 58 free Surface Spaces are available; Ratio of 6.01/1,000 SF	
Amenities: On Site Management	

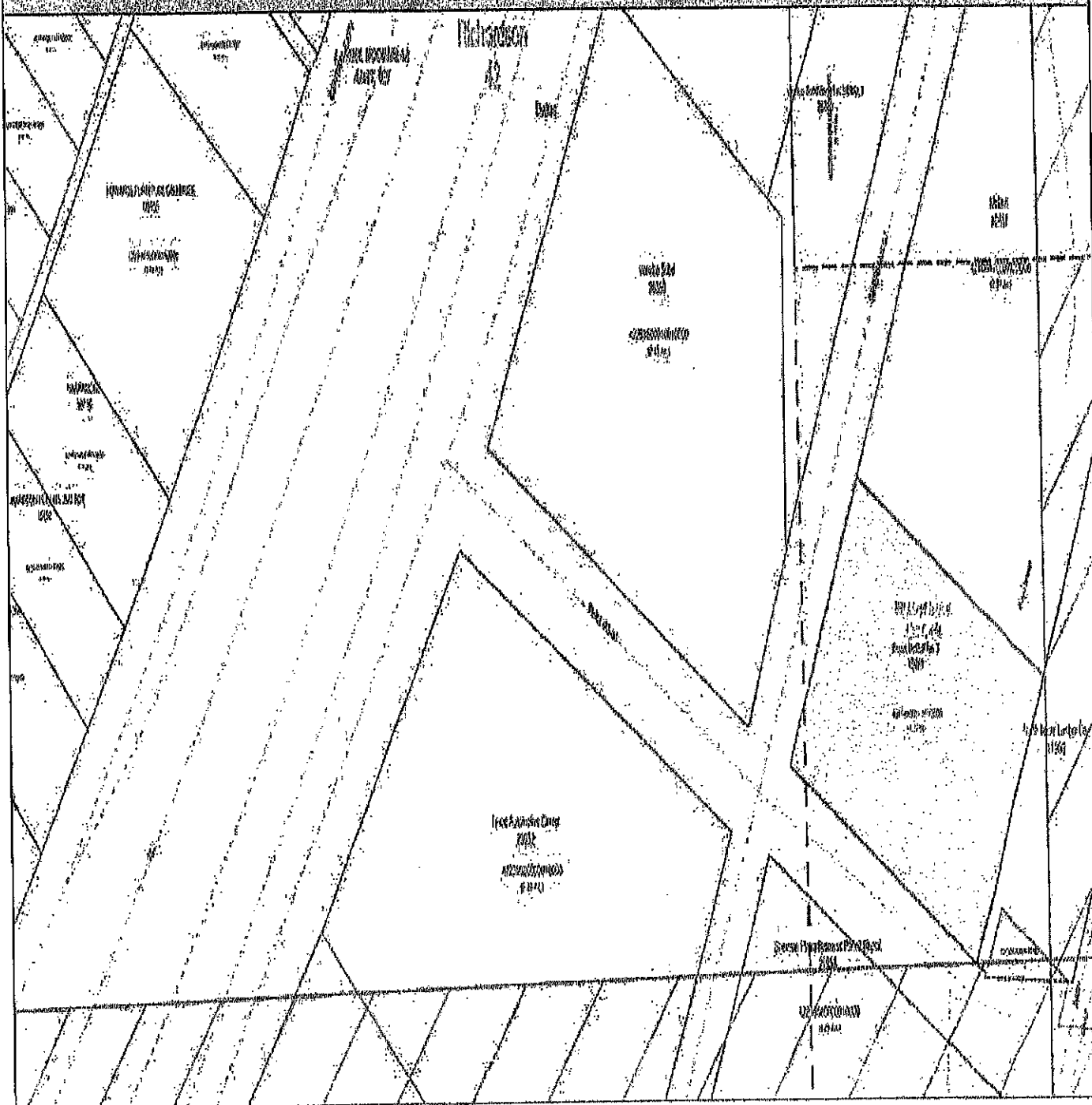
Location Information

Metro Market: Dallas/Ft Worth
Submarket: Richardson/Plano/Richardson
County: Dallas
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX
Map(Page): Mapsco 17-ED

SOLD

Parcel Number: **42104600010010000**
Legal Description: **All McDuff 2 Add City of Richardson**
County: **Dallas**

Plat Map: 351 S Sherman St



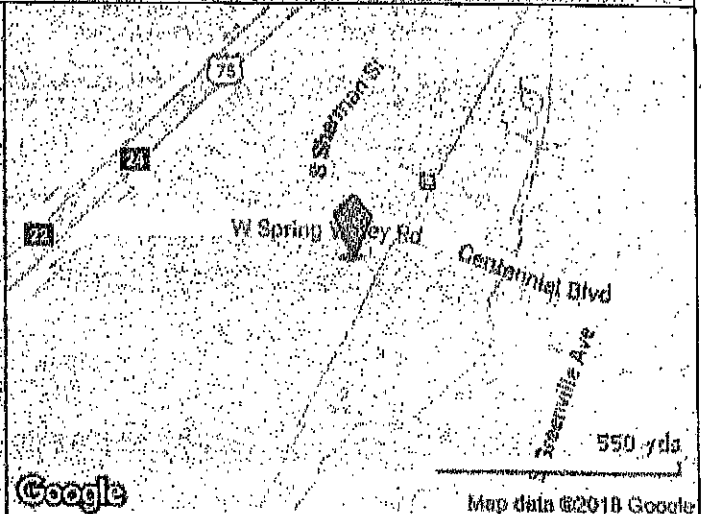
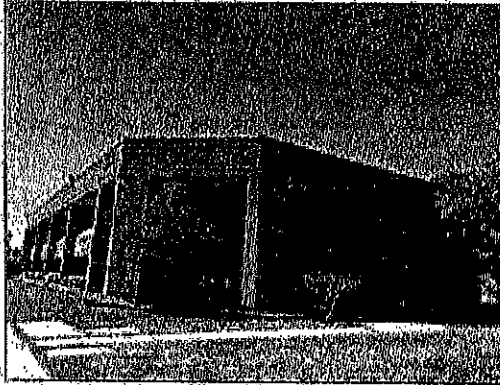
10

111 W Spring Valley Rd**SOLD**

Richardson, TX 75081

Sale on 5/5/2017 for \$3,850,000 (\$67.97/SF) - Research Complete

56,640 SF Class B Office Building Built in Apr 1983

**Buyer & Seller Contact Info**

Recorded Buyer: **Dallas Lighthouse For the Blind, Inc.**
 True Buyer: **Dallas Lighthouse For the Blind, Inc.**

4306 Capitol Ave
 Dallas, TX 75204
 (214) 821-2375

Buyer Type: **Non Profit**
 Buyer Broker: **Briggs Freeman Sotheby's
 International Realty**
Tim Cox
 (214) 353-5117

Recorded Seller: **Stoneeagle Insurance Systems**
 True Seller: **StoneEagle Insurance Systems, Inc.**
Phil Bogner

111 W Spring Valley Rd
 Richardson, TX 75081
 (972) 934-1751

Seller Type: **Corporate/User**
 Listing Broker: **McNeff Commercial Real Estate**
Greg Fall
 (972) 437-4777

Transaction Details

ID 3901243

Sale Date: **05/05/2017 (366 days on market)**
 Escrow Length: **120 days**
 Sale Price: **\$3,850,000-Confirmed**
 Asking Price: **\$3,950,000**
 Price/SF: **\$67.87**
 Price/AC Land Gross: **\$1,018,518.52**

Sale Type: **Owner/User**
 Bldg Type: **Office**
 Year Built/Age: **Built in Apr 1983 Age: 34**
 RBA: **56,640 SF**
 Land Area: **3.78 AC (164,857 SF)**

Percent Leased: **100.0%**
 Tenancy: **Multi**

Percent Improved: **49.8%**
 Total Value Assessed: **\$2,625,000 in 2016**
 Improved Value Assessed: **\$1,307,710**
 Land Value Assessed: **\$1,317,290**
 Land Assessed/AC: **\$348,480**

No. of Tenants: **5**
 Tenants at time of sale: **Blume Faulkner & Skeen Law Offices PLLC; Institution Solutions LLC; John R Galvin Law Office; Lemons & Hallbauer LLC; Ray Smith CPA PLLC**

Legal Desc: **Abstract #1575, a portion of Revised Lot 1, Block B of Spring Valley Business Park. Recorded in Volume 82061, Page 2500, Deed Records, Dallas County.**

Parcel No: **42231920020010000**

111 W Spring Valley Rd**SOLD**

56,640 SF Class B Office Building Built In Apr 1983 (cont)

Document No: 000000128339

Sale History: **Sold for \$3,850,000 (\$67.97/SF) on 5/5/2017**
Sold for \$2,600,000 (\$45.90/SF) on 9/16/2004
Sold on 2/27/2004 Non-Arms Length

Transaction Notes

This 56,640 square foot property was sold to a non-profit user for \$3,850,000. Initially the buyer will occupy 50% of the building with existing law firm tenant occupying the balance. Once their lease expires, the buyer will then occupy the entirety of the property. Although a fairly dated property (1983 construction), the building was reported to be in good condition and well maintained. Escrow was extended in this transaction due to supplemental paperwork but the overall transaction was reported to be super clean and straight forward. Seller motivation and future plans were undisclosed per confidentiality agreement.

Income Expense Data

Expenses	- Taxes	\$70,139
	- Operating Expenses	
	Total Expenses	\$70,139

Current Building Information

ID: 110670

Bldg Type:	Office	Bldg Status:	Built In Apr 1983
Class:	B	RBA:	56,640 SF
Total Avail:	0 SF	% Leased:	100.0%
Bldg Vacant:	0 SF	Rent/SF/Yr:	-
Tenancy:	Multi	Elevators:	1
Owner Type:	Non Profit	Core Factor:	25.0%
Owner Occupied:	Yes	Stories:	2
Zoning:	I, Richardson	Typical Floor Size:	26,492 SF
Land Area:	3.78 AC	Building FAR:	0.34
Expenses:	2017 Tax @ \$1.24/sf		
Parking:	252 Surface Spaces are available; Ratio of 4.75/1,000 SF		
Amenities:	Air Conditioning, Atrium, Bus Line, Commuter Rail, Controlled Access, Courtyard, Metro/Subway, Skylights		

Location Information

Metro Market: Dallas/Ft Worth
Submarket: Richardson/Plano/Richardson
County: Dallas
CBSA: Dallas-Fort Worth-Arlington, TX
CSA: Dallas-Fort Worth, TX-OK
DMA: Dallas-Ft Worth, TX
Map/Page: Mapsco 17-JD

111 W Spring Valley Rd

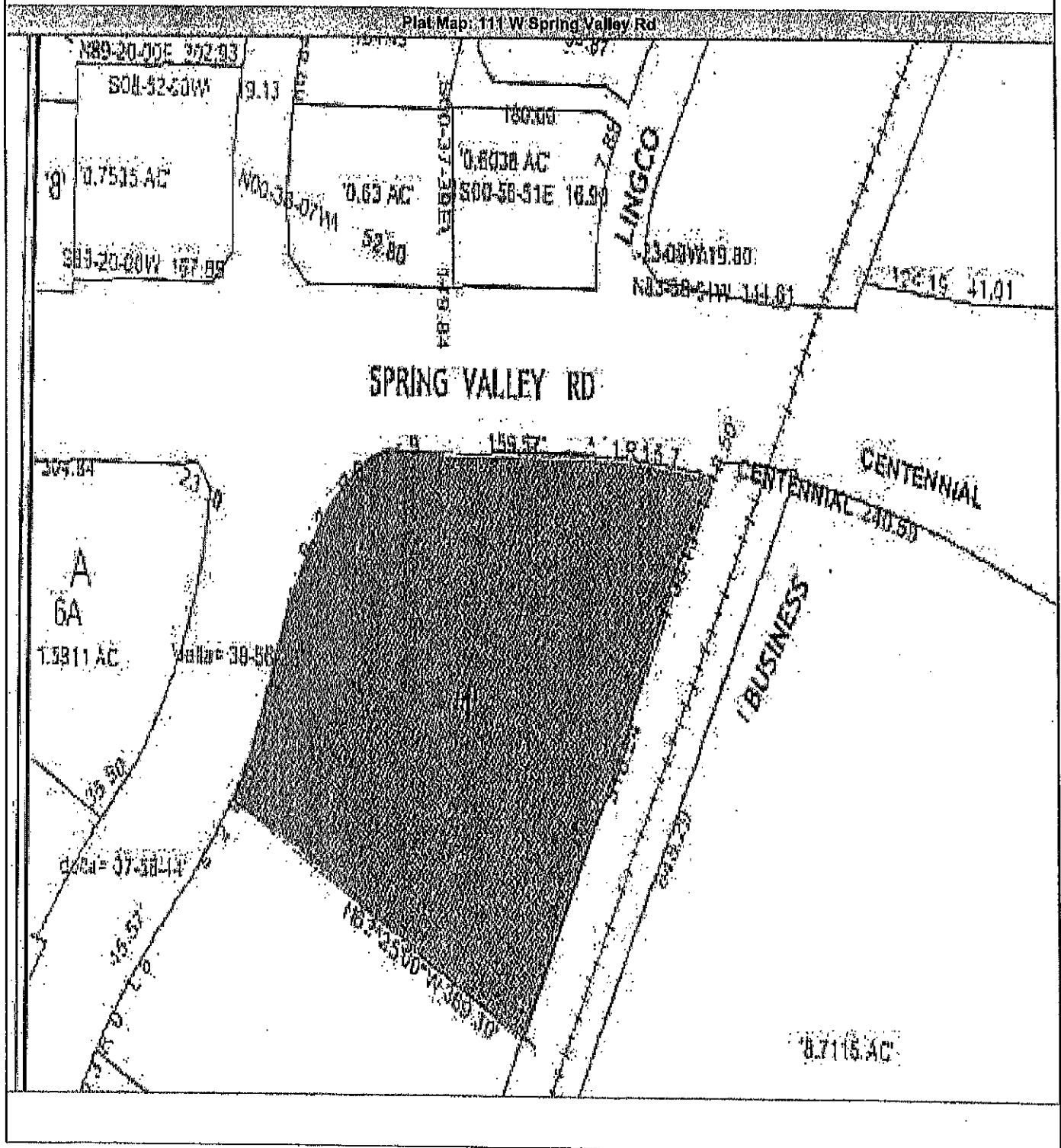
SOLD

56,840 SF Class B Office Building Built in Apr 1983 (cont)

Parcel Number: 42231920020010000

Legal Description: Lot 1 blk B Spring Valley Business Park Add vol 82061 pg 2500

County: Dallas



1 Portfolio**UNDER CONTRACT****3 Class B Office buildings in Plano, TX, having total size of 294,236 SF.**

Listing Broker: **Collers International**
1717 McKinney Ave
Dallas, TX 75202
(214) 692-1100

Grelghton Stark
(214) 708-6029
Chris Boyd
(214) 708-6047
Tyler Lehmann
(214) 692-1100

**PORTFOLIO**

Asking Price: -	# of Properties: 3
Price/SF: -	Total Size: 294,236 SF
Days on Market: 379	Total Land Area: 10.60 AC (461,888 SF)
Sale Status: Under Contract	Sale Type: Investment

Actual Cap Rate: 5.00%

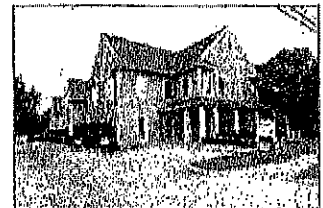
2 903 E 18th St - Nathaniel Barrett Building**SOLD**

Plano, TX 75074

Collin County

True Buyer: -

True Seller: -



Map Page: Mapsco 659-VD

Sale Date: 01/15/2018 (556 days on mkt)	Bldg Type: Class C Office
Sale Price: \$1,000,000 - Confirmed	Year Built/Age: Built 1984 Age: 34
Price/SF: \$68.93	RBA: 14,508 SF
	Land Area: 0.70 AC (30,482 SF)
PrFrma Cap Rate: -	Zoning: C
Actual Cap Rate: 8.42%	Sale Conditions: -

Parcel No: -
Financing: -
Comp ID: 4108398 -- Research Status: Confirmed

3 1101 E Arapaho Rd - Corporate Place of Richardson**SOLD**

Richardson, TX 75081

Dallas County

Recorded Buyer: JP-Corporate Place, LP

Recorded Seller: Icon 1101 E Arapaho Owner Pool 2, LLC



Map Page: Mapsco 8-WD

Sale Date: 07/21/2017 (408 days on mkt)	Bldg Type: Class B Office
Sale Price: \$4,325,000 - Confirmed	Year Built/Age: Built 1979 Age: 38
Price/SF: \$46.73	RBA: 92,547 SF
	Land Area: 5.92 AC (257,875 SF)
PrFrma Cap Rate: -	Zoning: I
Actual Cap Rate: -	Sale Conditions: High Vacancy Property

Parcel No: 42051500050100100
Financing: \$5,730,000 from Liberty Bankers Life Insurance Company
Comp ID: 3964235 -- Research Status: Confirmed

4 2910 Broadway Blvd - One Broadway Place**SOLD**

Garland, TX 75041

Dallas County

Recorded Buyer: **Huy Nguyen & Hang Vu**
2445 Chesapeake Dr
Garland, TX 75043
(972) 272-7816

Recorded Seller: **Youngdo Won & Sangnam Choi**
815 N Broad St
Lansdale, PA 19446



Sale Date: **07/17/2017 (60 days on mkt)**
Sale Price: **\$1,110,000 - Confirmed**
Price/SF: **\$80.27**

Bldg Type: **Class B Office/Medical**
Year Built/Age: **Built 1975 Age: 42**
RBA: **13,829 SF**
Land Area: **1.97 AC (85,813 SF)**
Zoning: **GBD-Garland**
Sale Conditions: **-**

PrFma Cap Rate: **-**
Actual Cap Rate: **7.05%**

Parcel No: **26047700010010000**
Financing: **Down payment of \$1,110,000 (100.0%)**
Comp ID: **3968368 - Research Status: Confirmed**

5 3304 Essex Dr - Building B6**SOLD**

Richardson, TX 75082

Collin County

Recorded Buyer: **ABRE Holdings, LLC**
17774 Preston Rd
Dallas, TX 75252

Recorded Seller: **RightNow Ministries International**
6300 Henneman Way
McKinney, TX 75070
(972) 560-4000



Recorded Buyer: **Dhillon Living Trust**
1315 Hearst Dr
Pleasanton, CA 94566

Recorded Seller: **-**

True Buyer: **Ampex Brands LLC**
17774 Preston Rd
Dallas, TX 75252
(469) 917-3800
Tabbassum Mumtaz

True Seller: **RightNow Media**
6300 Henneman Way
Allen, TX 75013
(972) 560-4300
Brian Mosley

Sale Date: **09/11/2017 (167 days on mkt)**
Sale Price: **\$1,950,000 - Confirmed**
Price/SF: **\$116.07**

Bldg Type: **Class B Office**
Year Built/Age: **Built 2005 Age: 11**
RBA: **16,800 SF**

PrFma Cap Rate: **-**Zoning: **I-M(1)**

Parcel No: **R2563758**
Financing: **Down payment of \$390,000 (20.0%); \$1,560,000 from Bank Of San Antonio**
Comp ID: **4016818 - Research Status: Confirmed**

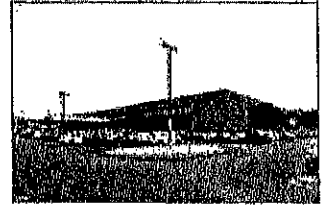
6 12606 Greenville Ave - Northpoint Medical Arts**SOLD**

Dallas, TX 75243

Dallas County

Recorded Buyer: HTA-Northpoint Medical Arts, LLC
16435 N Scottsdale Rd
Scottsdale, AZ 86254

Recorded Seller: Northpoint Medical Partners Ltd



Map Page: Mapsco 17-SD

Sale Date: 12/07/2017 (36 days on mkt)
Sale Price: \$19,250,000 - Confirmed
Price/SF: \$161.93

Bldg Type: Class B Office Medical
Year Built/Age: Built 1980 Renov 2007 Age: 37
RBA: 118,876 SF
Land Area: 6.70 AC (291,852 SF)
Zoning: PD-44

PrFirma Cap Rate: -

Parcel No: 00000811111100000, 00000811111150000
Financing: Down payment of \$19,250,000 (100.0%)
Comp ID: 4104214 - Research Status: Confirmed

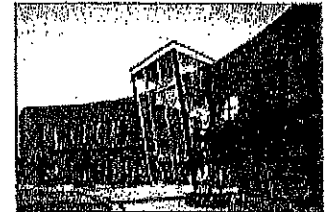
7 2280 N Greenville Ave - Campbell Creek Business Park**SOLD**

Richardson, TX 75082

Dallas County

Recorded Buyer: 2280 North Greenville Avenue
Texas, LLC

Recorded Seller: 2280 Greenville Venture LP
2280 N Greenville Ave
Richardson, TX 75082
(972) 238-7271



Sale Date: 05/25/2017
Sale Price: \$52,600,000 - Confirmed
Price/SF: \$239.19

Bldg Type: Class B Office
Year Built/Age: Built 1997 Renov 2016 Age: 20
RBA: 228,506 SF
Land Area: 20.42 AC (889,495 SF)
Zoning: I

PrFirma Cap Rate: 6.06%

Actual Cap Rate: -

Sale Conditions: Investment Triple Net

Parcel No: 420190000A05B0000
Financing: Down payment of \$32,600,000 (62.0%); \$20,000,000 from Branch Banking & Trust Company
Comp ID: 3921403 - Research Status: Confirmed

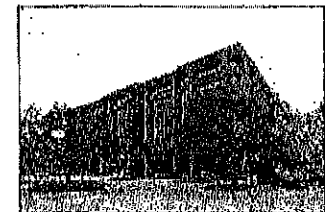
8 2400 Lakeside Blvd - Greenway Plaza II**UNDER CONTRACT**

Richardson, TX 75082

Dallas County

Listing Broker: Colliers International
1717 McKinney Ave
Dallas, TX 75202
(214) 692-1100

Creighton Stark
(214) 708-6029
Chris Boyd
(214) 706-6047
Tyler Lehmann
(214) 692-1100



Map Page: Mapsco 7-RD

Asking Price: -
Price/SF: -
Days on Market: 300
Sale Status: Under Contract

Sale Type: Investment
Bldg Type: Class A Office
Bldg Status: Built 1985 Renov 2013
RBA: 152,969 SF

Actual Cap Rate: 8.25%

Zoning: C, Richardson

Parcel No: 42076680020010000

9

351 S Sherman St - Phillips Square**SOLD**

Richardson, TX 75081

Dallas County

Recorded Buyer: **Iglesia Evangelica Alpha Y Omega, Inc.**
 PO Box 880126
 Plano, TX 75086
 (214) 770-4659

Recorded Seller: **Valquest, Inc.**
 351 S Sherman St
 Richardson, TX 75081
 (972) 234-2954



Map Page: Mapsco 17-ED

Sale Date: **11/30/2017 (295 days on mkt)**
 Sale Price: **\$1,200,000 - Confirmed**
 Price/SF: **\$100.05**

Bldg Type: **Class C Office**
 Year Built/Age: **Built 1984 Age: 33**
 RBA: **11,994 SF**
 Land Area: **1.25 AC (54,450 SF)**
 Zoning: **Z137**

PrFma Cap Rate: -

Parcel No: **42104600010010000**
 Financing: **Down payment of \$1,200,000 (100.0%)**
 Comp ID: **4089677** -- Research Status: **Confirmed**

10

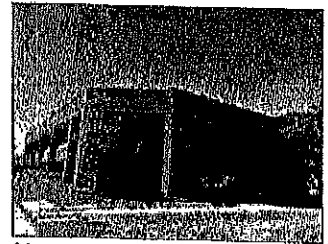
111 W Spring Valley Rd**SOLD**

Richardson, TX 75081

Dallas County

Recorded Buyer: **Dallas Lighthouse For the Blind, Inc.**
 4306 Capitol Ave
 Dallas, TX 75204
 (214) 821-2375

Recorded Seller: **Stoneagle Insurance Systems**
 111 W Spring Valley Rd
 Richardson, TX 75081
 (972) 934-1751



Map Page: Mapsco 17-JD

Sale Date: **05/05/2017 (366 days on mkt)**
 Sale Price: **\$3,850,000 - Confirmed**
 Price/SF: **\$67.97**

Bldg Type: **Class B Office**
 Year Built/Age: **Built 1983 Age: 34**
 RBA: **56,640 SF**
 Land Area: **3.78 AC (164,657 SF)**
 Zoning: **I, Richardson**

PrFma Cap Rate: -

Parcel No: **42231920020010000**
 Financing: -
 Comp ID: **3901243** -- Research Status: **Confirmed**

Lease Comps Summary

Lease Comps Report

Deals

9

Gross Asking Rent Per SF

\$25.67

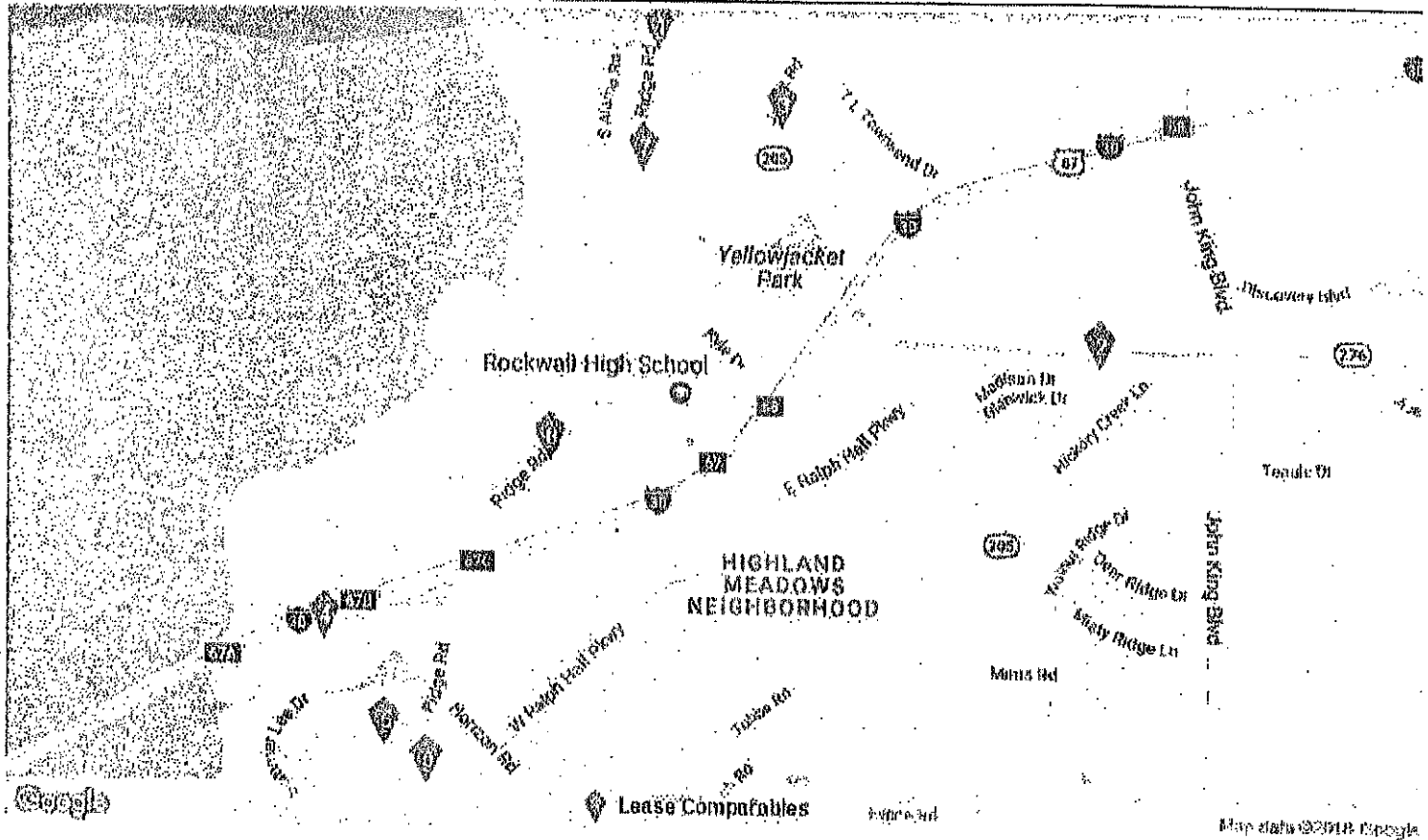
Gross Starting Rent Per SF

\$24.54

Avg. Months On Market

7

LEASE COMPARABLES












SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Gross Asking Rent Per SF	8	\$23.88	\$25.67	\$26.28	\$33.91
Gross Starting Rent Per SF	4	\$23.88	\$24.54	\$25.50	\$27.00
Gross Effective Rent Per SF	2	\$23.88	\$24.27	\$25.44	\$27.00
Asking Rent Discount	3	-3.8%	1.6%	0.0%	5.7%
TI Allowance	-	-	-	-	-
Months Free Rent	-	-	-	-	-

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	9	0	7	7	18
Deal Size	9	230	2,326	2,435	6,067
Lease Deal In Years	7	1.0	3.9	3.0	10.0
Floor Number	9	1	1	1	2

Lease Comps Summary

Lease Comps Report

Property Name - Address	Rating	Lease			Rents		
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
 The Pointe on Ridge Road 1101 Ridge Rd	★★★★★	230	2nd	3/1/2018	New	\$33.91/fs	Asking
 1885 T L Townsend Dr	★★★★★	3,200	1st	2/1/2018	New	\$25.00/nnn	Starting
 661-663 Justin Rd	★★★★★	875	1st	9/22/2017	New	\$27.00/fs	Effective
 Trend Tower 2701 E Sunset Ridge Dr	★★★★★	6,067	1st	9/6/2017	New	\$22.75/+elec	Effective
 3012 Ridge Rd	★★★★★	2,500	1st	8/2/2017	New	\$27.36/fs	Asking
 Offices at Horizon Ridge 1201 Arista Dr	★★★★★	2,331	1st	6/1/2017	New	\$26.00/+elec	Asking
 Rockwall Commons Office 1309 Ridge Rd	★★★★★	2,435	1st	6/1/2017	New	\$25.00/mg	Asking
 White Hills 2305 Ridge Rd	★★★★★	300	1st	6/1/2017	New	\$26.00/fs	Starting
 1855 T L Townsend Dr	★★★★★	3,000	1st	3/20/2017	New	\$28.00/nnn	Asking

Lease Comps Summary

Lease Comps Report

Deals

12

Gross Asking Rent Per SF

\$28.04

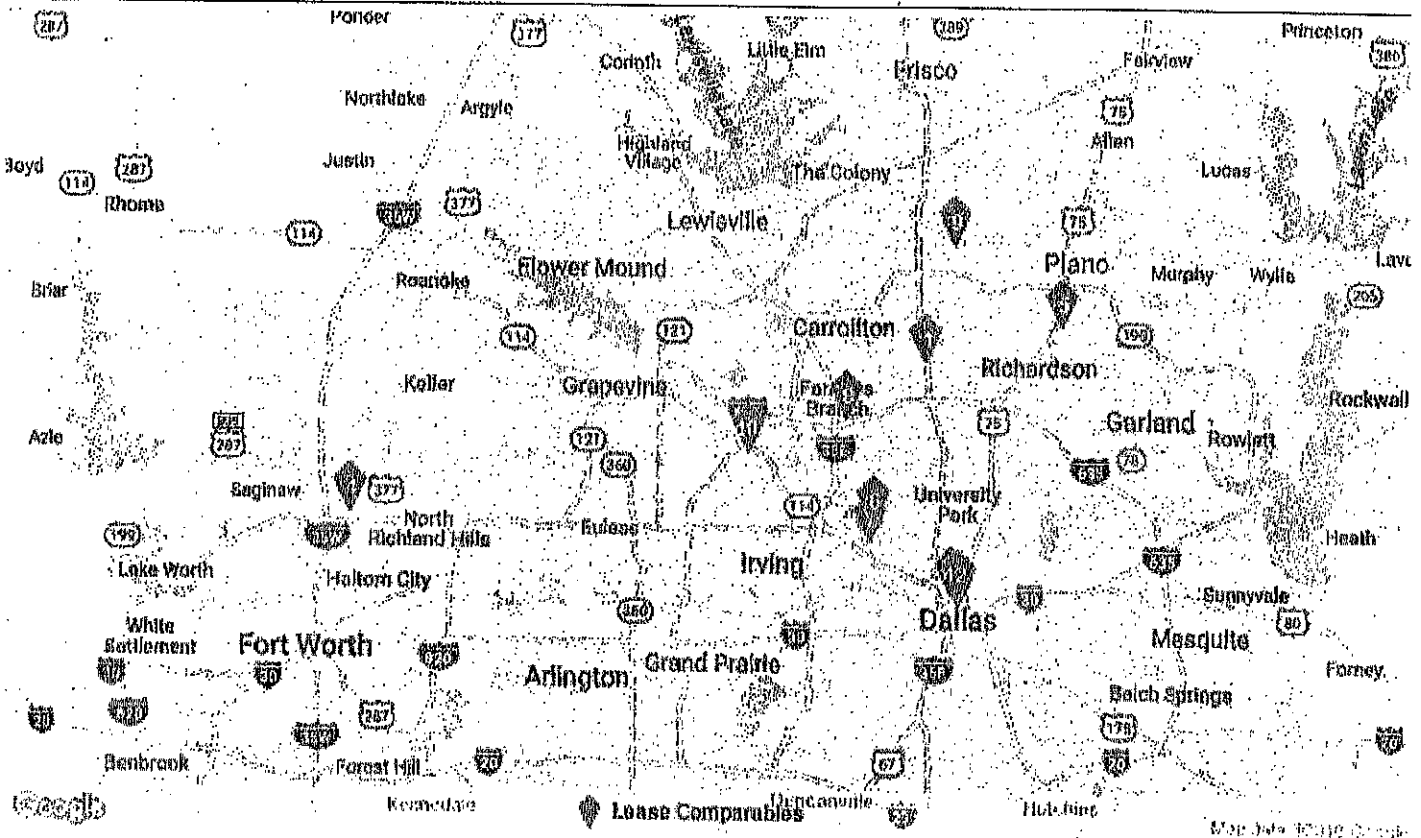
Gross Starting Rent Per SF

-

Avg. Months On Market

32

LEASE COMPARABLES















SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Gross Asking Rent Per SF	12	\$14.50	\$28.04	\$21.45	\$49.27
Gross Starting Rent Per SF	-	-	-	-	-
Gross Effective Rent Per SF	-	-	-	-	-
Asking Rent Discount	-	-	-	-	-
TI Allowance	-	-	-	-	-
Months Free Rent	-	-	-	-	-







Lease Attributes	Deals	Low	Average	Median	High
Months on Market	12	9	32	26	91
Deal Size	12	10,876	22,365	19,632	48,491
Lease Deal In Years	-	-	-	-	-
Floor Number	12	1	6	4	24

Lease Comps Summary





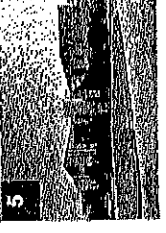

Lease Comps Report

Property Name - Address	Rating	Lease			Type	Rents	
		SF Leased	Floor	Sign Date		Rent	Rent Type
 The Aberdeen 14841 N Dallas Pky	★★★★★	17,000	5th	3/20/2018	New	\$19.75/+elec	Asking
 Woodview Tower 1349 Empire Central Dr	★★★★★	15,431	4th	3/20/2018	New	\$15.50/fs	Asking
 Chase Tower 2200 Ross Ave	★★★★★	23,000	24th	3/15/2018	New	\$28.00/+elec	Asking
 5555 N Beach St	★★★★★	48,491	1st	3/13/2018	New	\$15.50/nnn	Asking
 Eastside Atrium 800 E Campbell Rd	★★★★★	13,512	2nd	3/12/2018	New	\$20.00/+elec	Asking
 8802 Harry Hines Blvd	★★★★★	23,903	1st	3/8/2018	New	\$24.00/nnn	Asking
 The Hartford Building 400 N Saint Paul St	★★★★★	12,547	9th	3/8/2018	New	\$14.91/fs	Asking
 2711 Lyndon B Johnson...	★★★★★	10,876	4th	3/6/2018	New	\$16.00/+elec	Asking
 5055 W Park Blvd	★★★★★	12,435	1st	3/6/2018	New	\$22.00/+elec	Asking
 The Westpoint I 1255 Corporate Dr	★★★★★	26,924	3rd	3/5/2018	New	\$23.00/+elec	Asking
 Parkview at 1920 McKinn... 1920 McKinney Ave	★★★★★	22,265	12th	3/5/2018	New	\$34.00/nnn	Asking
 KPMG Plaza at Hall Arts 2323 Ross Ave	★★★★★	42,000	18-19	3/1/2018	New	\$49.50/+elec	Asking

Lease Comparables

	Address	Tenant/Landlord	SF Leased Type	Start Date Term	Starting Rent Effective Rent	Free Rent TI Allow	Escalations Expenses
7	 The Hartford Building 400 N Saint Paul St Dallas, TX 75201 Dallas CBD Submarket	Good Signature Management, L.L....	12,547 New Direct	Apr 2018			
8	 2711 Lyndon B Johnson Fwy Dallas, TX 75234 West LBJ Freeway Submarket	DFW Integrity Group Management,...	10,876 New Direct	Jun 2018			
9	 5055 W Park Blvd Plano, TX 75093 Upper Tollway/West Plano Submarket	5025 Plano Office Llc	12,435 New Direct	May 2018			
10	 The Westpoint I 1255 Corporate Dr Irving, TX 75038 Office Ctr/West LBJ Ext Submarket	HighBrook Investors	26,924 New Direct	Aug 2018			
11	 Parkview at 1920 McKinney 1920 McKinney Ave Dallas, TX 75201 Uptown/Turtle Creek Submarket	Invesco Advisors, Inc.	22,265 New Direct	Apr 2018			
12	 KPMG Plaza at Hall Arts 2323 Ross Ave Dallas, TX 75201 Dallas CBD Submarket	Bell Nunnally & Martin, LLP Hall Lone Star Associates Lp	42,000 New Direct	Jul 2018			

Lease Comparables

	Address	Tenant Landlord	SF Leased Type	Start Date Term	Starting Rent Effective Rent	Free Rent TI Allow	Escalations Expenses
1	 The Aberdeen 14841 N Dallas Pky Addison, TX 75254 Quorum/Bent Tree Submarket	JP Realty Partners	17,000 New Sublease	Jun 2018			
2	 Woodview Tower 1348 Empire Central Dr Dallas, TX 75247 Stammons Freeway Submarket	Teaching Trust Sackaway Management Group	15,431 New Direct	Jun 2018			
3	 Chase Tower 2200 Ross Ave Dallas, TX 75201 Dallas CBD Submarket	Fortis Property Group, LLC	23,000 New Sublease	Mar 2018			
4	 5555 N Beach St Fort Worth, TX 76137 East Northeast Ft Worth Submarket	Capital Commercial Investments, L...	48,491 New Direct	Aug 2018			
5	 Eastside Atrium 800 E Campbell Rd Richardson, TX 75081 Richardson Submarket	Fobare Commercial LP	13,512 New Direct	Apr 2018			
6	 8802 Harry Hines Blvd Dallas, TX 75235 Stammons Freeway Submarket	Vicoroy Investments, LLC	23,903 New Direct	Apr 2018			\$4.00/SF

Memorandum



CITY OF DALLAS

DATE April 12, 2018

Honorable Members of the Government Performance & Financial Management
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Oncor Application for Increased Electric Rates**

On April 5, 2018, Oncor Electric Delivery Company LLC ("Oncor") filed an Application for Approval of a Distribution Cost Recovery Factor. In the filing, the Company is seeking an increase in distribution revenues of \$19,002,177. This application was filed concurrently with the Public Utility Commission of Texas (PUC) and all other cities on the Oncor distribution system. The PUC's rules allow cities 60 days to act on this application.

A resolution denying the application has been placed on the May 9, 2018 City Council agenda. In addition to denying the rates, the resolution authorizes the City to participate with the Oncor Cities Steering Committee (OCSC) in the proceeding at the PUC. The City is a member of OCSC, which coordinates the efforts of member cities in system wide rate cases. OCSC has already retained outside counsel and consultants and is actively reviewing the application. OCSC will advocate for fair and reasonable rates for the citizens served by Oncor both at the PUC and any subsequent appeal. The City's rate case expense will be reimbursed by Oncor directly to OCSC.

Please let me know if you need additional information.

M. Elizabeth Reich
Chief Financial Officer

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billieae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors