

Memorandum



DATE **May 16, 2014**

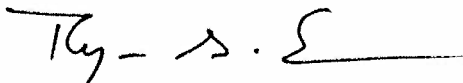
TO **Members of the Economic Development Committee: Tennell Atkins (Chair), Rick Callahan (Vice Chair)
Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman**

SUBJECT **Cliff View Project – Fort Worth Avenue TIF District**

On Monday, May 19, 2014, the Economic Development Committee will be briefed on the Cliff View Project – Fort Worth Avenue TIF District.

Briefing material is attached

Should you have any questions, please contact me at (214) 670-3296.



Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
udge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Shawn Williams, Interim Public Information Officer
Ryan S. Evans, Interim 1st Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, Chief Financial Officer, Office of Financial Serivces
Shawn Williams, Interim Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager Office and Mayor and Council

Cliff View
Fort Worth Avenue TIF District
Economic Development Committee
May 19, 2014

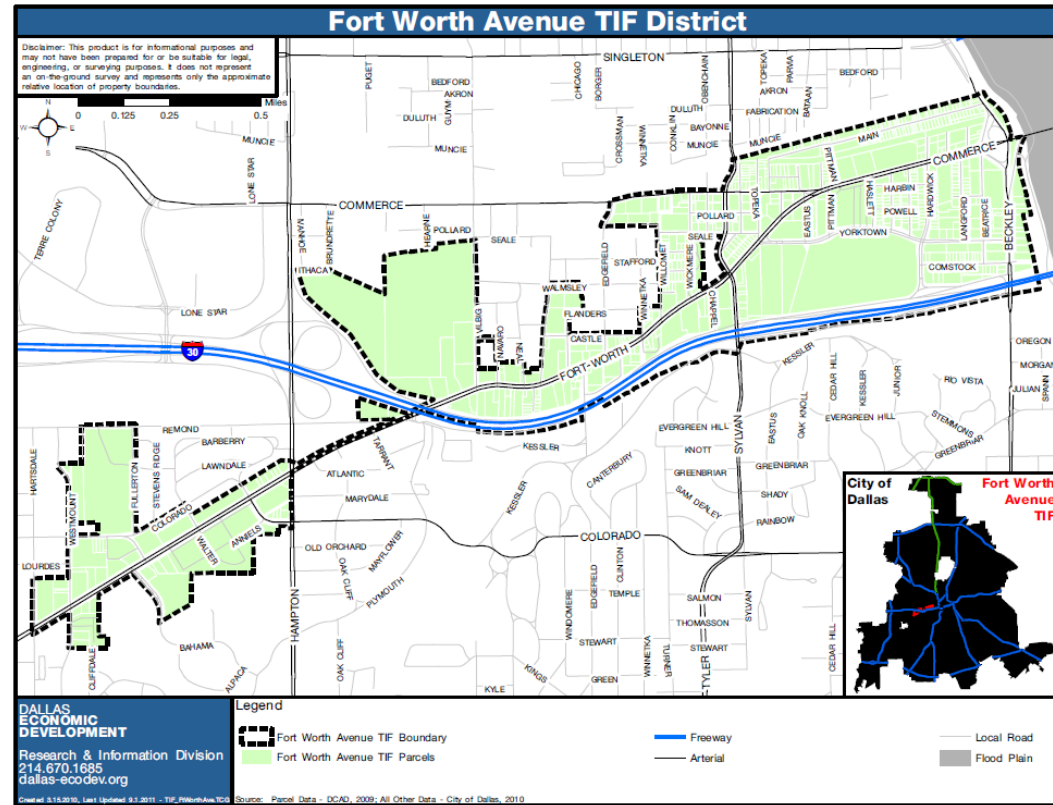
Purpose

- Discuss the Cliff View project in the Fort Worth Avenue TIF District
- Obtain Economic Development Committee's approval for consideration of the project by City Council on May 28, 2014

Fort Worth Avenue TIF District

Background

- The Fort Worth Avenue TIF District was created June 13, 2007.
- The district's purpose is to create a more sustainable mix of residential property in the corridor and to take advantage of under-developed land parcels near downtown Dallas
- Property value in the district is up \$27.7M since inception, a 32% increase.



Cliff View

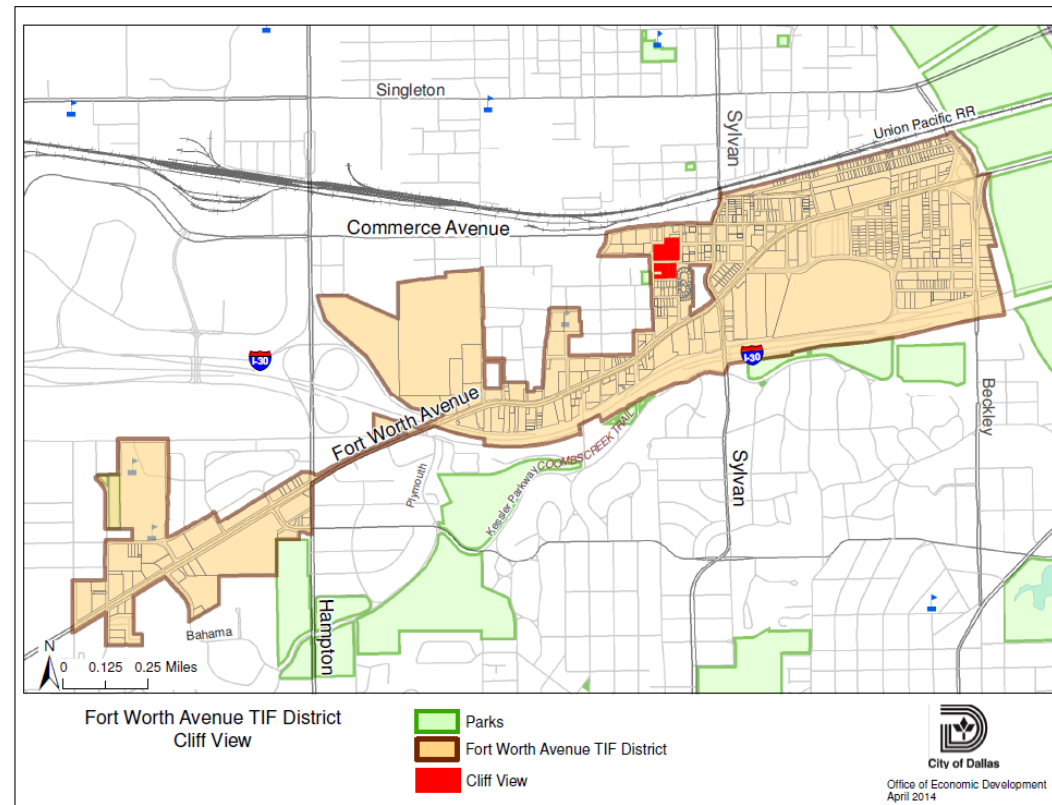
Location Map

- Project is located northwest of the intersection of Sylvan Avenue and Fort Worth Avenue and northwest of the Belmont Hotel.
- 4 acre development site is currently vacant and covered with small trees and brush.



Street View Seale Street at Midblock Looking East
Cliff View Apartments
Dallas, Texas

HENRY S. MILLER



Cliff View

Project Summary

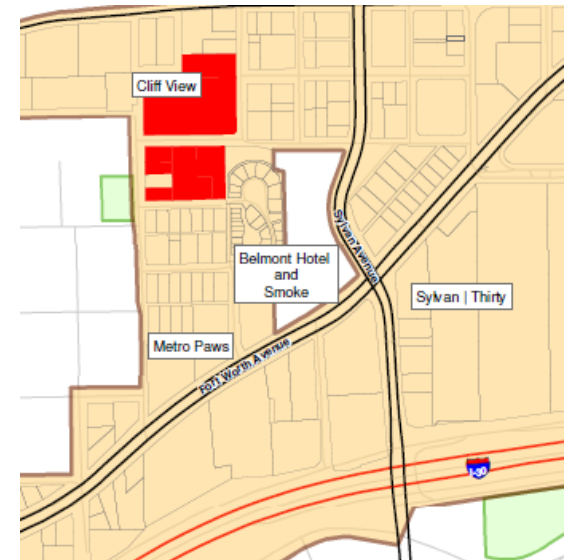
- Proposed Cliff View development:
 - Minimum of 250,000 square feet of residential space (approximately 318 units).
 - Estimated total project cost is \$43 million.
 - Mixed income housing: 80% of the units will be market rate; 20% of units to meet affordable housing criteria for families making 80% of the Area Median Family Income).
 - On-site amenities: bike parking, open plaza space, a pool courtyard, and connections to nearby trails.
 - Includes integrated storm water management techniques.



Cliff View

Project Summary

- Continues development of new, mixed-income apartments in the Fort Worth Avenue/West Commerce area. Its residential population will help to support other commercial properties in this corridor: Belmont Hotel, Smoke restaurant, Metro Paws Animal Clinic, and Sylvan | Thirty.



Cliff View

Project Design – site plan

- Site is currently vacant and covered with trees and brush.
- Public amenities:
 - wide sidewalks
 - street trees
 - public plaza spaces
 - connections to a nearby trail.
- TIF funding will be used for
 - infrastructure
 - streetscape
 - park and open space improvements
 - environmental remediation
 - support of mixed income housing.



Cliff View

Project Design

- Development provides a variety of unit sizes and types.
- Buildings range from two stories to seven stories
- Buildings and the parking garage are nestled into the hill to minimize the impact on the adjacent neighborhood.



Aerial View Looking Northwest

Cliff View Apartments
Dallas, Texas



Good Fulton & Farrell Architects
2001 Ross Street
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JOB #: 1208-00 File Name: 2014-12 perspective Draw: 01/20/14 Drawn by: RTM/TLB

Cliff View

Project Design

- View looking northwest up Seale Street



Cliff View

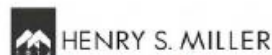
Project Design

- View looking northwest across Ormsby Street.



View Looking Northwest across Ormsby Street

Cliff View Apartments
Dallas, Texas



THIS PLAN IS CONCEPTUAL AND IS SUBJECT TO MINOR MODIFICATIONS, PLACEMENT OF SIGNAGE AND MARKING AND RECORDS TO FINAL DESIGN AND/OR CONSTRUCTION TO OBTAIN CITY PERMITS AND COORDINATION.



Good Fulton & Farrel Architects

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Job #: 10000-00 File Name: 2014-04-04 gff-jp-dash.dwg 04/16/2014 Drawn by: TUB, GFM

Cliff View Project Design



Street View Seale Street at Willomet Looking East
Cliff View Apartments
Dallas, Texas

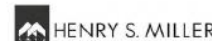


Before and after
images of Seale
Street facing
downtown.



View Looking East down Seale Street

Cliff View Apartments
Dallas, Texas



THIS PLAN IS CONCEPTUAL AND IS SUBJECT TO MARKET CONDITIONS. PLACEMENT OF APARTMENTS IS TENTATIVE AND SUBJECT TO SECURING A FAVORABLE MARKET. MODIFICATIONS TO THE SITE PLAN AND CONSTRUCTION ARE SUBJECT TO THE CITY OF DALLAS AND DALLAS COUNTY.



Good Fulton & Farrell Architects

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July 11, 2018 09:15 AM - File Name: 0711-04-18 project.dwg - 06/09/2018 - Drawing: TUL, 0/70

Cliff View

Project Design

- The project includes a pool deck with downtown views.



Pool Deck View Looking East

Cliff View Apartments
Dallas, Texas

Cliff View *Project Design*

- Typical street.



Aerial View Looking West down Stafford Street

Cliff View Apartments
Dallas, Texas



Cliff View

Project Funding Sources and Uses

Sources and Uses

Uses		
<u>Private Costs</u>	<u>Amount</u>	<u>%</u>
Total Land Acquisition	\$2,900,000	7%
Site work/demolition	\$1,236,852	3%
General construction/improvements/garage	\$31,985,226	74%
Streetscape/utilities/demo/park	\$2,225,837	5%
Total Soft Costs	\$4,835,245	11%
Total Development Costs	\$43,183,160	

Sources

<u>Estimated Funding Sources</u>	<u>Amount</u>	<u>%</u>
Construction loan	\$28,071,246	65%
Equity	\$15,111,914	35%
Total development funding (total sources)	\$43,183,160	100%

Cliff View

Proposed TIF Funding

- The recommended TIF funding for the project is \$4,650,000
- The funding will be used for infrastructure improvements, improvements to the adjacent Stafford Park, environmental remediation, and mixed income housing costs.

Category	Staff Recommended Amount
Public infrastructure improvements paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$2,275,837
Parks, open space, trails, and gateways	\$75,000
Environmental Remediation and Demolition	\$25,000
Mixed Income Housing	\$2,274,163
Total	\$4,650,000

Cliff View

TIF Board Funding Recommendation

- On April 15, 2014, the Fort Worth Avenue TIF District board of directors reviewed the project and approved TIF funding in an amount not to exceed \$4,650,000.

Recommendation

- Staff requests ECO Committee's approval of consideration of a development agreement with Henry S. Miller and/or its affiliates for \$4,650,000 in support of the Cliff View project by City Council at their May 28, 2014 Council meeting.

APPENDICES

Appendix A: Highlights of TIF Funding Conditions

- Minimum private investment of \$30,000,000 for land acquisition, site preparation, hard costs, and related design/engineering soft costs.
- Minimum 250,000 square feet of residential space (approximately 318 units)
- For 15 years a minimum of 20% of the units will be affordable to families at 80% of the area median income.
- Owner shall fund all maintenance and operating expenses for the non-standard public improvements.
- Owner shall comply with business inclusion and development goals and affirmative fair housing goals.
- Start construction by December 31, 2014
- Obtain Certificate of Occupancy (CO) by December 31, 2016

Appendix B: Project Requirements/Other Information

Total square footage required	250,000 square feet of residential space
Consulting/Developer fee and reimbursables	\$1,213,500
Required private investment – site acquisition, site preparation, and hard costs of construction	\$30,000,000
Total project cost including site acquisition, hard costs of construction, all soft costs, and TIF expenses/other public.	\$43,183,160
TIF funding	\$4,650,000
PPP funding	\$0
% TIF and PPP funds to total project cost	10.9%
Rate of return without TIF funds	6.0%
Rate of return with TIF funds	6.8%
Deadline to purchase properties	n/a
Deadline to obtain permits	December 2014
Deadline to complete construction	December 2016

Appendix C: Cliff View

Project Proforma

PROJECT DESCRIPTION:	Cliff View		
SITE AREA:	4 acres		
NUMBER OF FLOORS/STORIES:	up to 7		
BUILDING AREA (g.s.f.):	166,991		
CONSTRUCTION PERIOD:	2 years		
ANTICIPATED CONSTR START DATE:	December 2014		
Cliff View	SF	# of Units	Total SF
Residential	279,775	318	880
			\$ per SF
			\$1.42
<u>Income (Annual)</u>			Total Project Cost (incl. public costs) \$43,183,160
Residential Rental Income	\$4,761,792		CITY ASSISTANCE (current \$) \$4,650,000
plus misc income	\$198,432		Total Project Cost (with City \$) \$38,533,160
plus commercial space	\$0		
less vacancy	(\$324,200)		Return on Cost Analysis
less expenses	(\$2,028,057)		NOI/Total Project Costs
NOI (w/o TIF)	\$2,607,967		Return on Cost (no City \$) 6.04%
			Return on Cost (with City \$) 6.77%
<u>Project Costs</u>			
Acquisition & demolition	\$2,900,000		
Hard Cost	\$33,222,078		
Soft Cost	\$4,835,245		
Public costs	\$2,225,837		
Total Project Cost (incl. public)	\$43,183,160		

Appendix D: Henry S. Miller *Experience*

- Established 1914
- Full service commercial real estate company
- Development Group specializes in the development of commercial, multifamily and single family land
- Developed several million square feet of property in D/FW
- Significant projects/developments Highland Park Village, Preston Royal Shopping Center, and Parkside Towns in Richardson

Appendix E: Fort Worth Avenue

Budget in Current Dollars (including Cliff View)

Fort Worth Avenue TIF District Projected Increment Revenues to Retire TIF Fund Obligations*			
Category	TIF Budget	Allocated	Balance
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, and land acquisition	\$82,504,055	\$2,832,746	\$79,671,309
Affordable housing	\$11,071,459	\$2,274,163	\$8,797,296
Environmental remediation & demolition	\$13,285,751	\$25,000	\$13,260,751
Parks, open space, trails, and gateways	\$13,285,751	\$325,000	\$12,960,751
Façade restoration	\$6,642,875	\$0	\$6,642,875
Economic development grants	\$22,142,919	\$2,500,000	\$19,642,919
Administration and implementation	\$4,334,643	\$292,848	\$4,041,795
Total project costs	\$153,267,454	\$8,249,757	\$145,017,697

**Budget shown above in current dollars, updated yearly; TIF Project Plan shows the budget in net present value. Values above do not include interest payments or receipts.*