

Memorandum

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DATE January 3, 2014

CITY SECRETARY
DALLAS, TEXAS

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

SUBJECT **Economic Development Committee**
Monday, January, 6 2014, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of December 2, 2013 Minutes of the Economic Development Committee
2. The Olympic Project (1401 Elm Street)
Downtown Connection TIF District
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Flora Lofts Project Downtown Connection
/City Center TIF Districts
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
4. Amendments to Variances to Alcohol
Spacing Requirements
David Cossum, Interim Director
Sustainable Development. & Construction
(Estimated time 20 minutes)
5. Upcoming Agenda Items
 - 1210 South Lamar – Cherokee Lamar Associates
 - First Pinnacle Park – First Industrial Texas L.P.


Tennell Atkins, Chair
Economic Development Committee

Public Notice

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POSTED CITY SECRETARY
DALLAS, TX

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge Municipal Court
Craig Kinton, City Auditor
Frank Libro, Public Information Officer
Ryan S. Evans, Interim 1st Assistant City Manager
Forest Turner, Assistant City Manager

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Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

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

1. Contemplated or pending litigation, or matters where legal advice is requested to the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The Purchase, exchange, lease or value of real property, if the deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if deliberation in an Open Meeting would have a detrimental affect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving appointments, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment or specific occasions for implementation of security personnel or device. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meeting Act.

Economic Development Committee **DRAFT**

Meeting Record December 2, 2013

The Economic Development Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Office of Economic Development, Staff Coordinator at 214-670-1686.

Meeting Date: December 2, 2013 **Meeting Start time:** 9:01 AM

Committee Members Present:

Tennell Atkins
Rick Callahan
Jerry R. Allen
Adam Medrano
Scott Griggs
Lee Kleinman

Staff Present:

Ryan Evans, Interim First Assistant City Manager, City Managers Office
Karl Zavitkovsky, Director, Office of Economic Development
Karl Stundins, Manager Office of Economic Development
LaToya Jackson, Assistant Director, Strategic Customer Services
Sue Hounsel, Senior Coordinator, Office of Economic Development

Other Council Members Present:

Other Presenters:

Brian Bergersen, President, Spectrum Properties, Ltd

1. Approval of November 4 Minutes of the Economic Development Committee

Presenter(s):

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: Mr. Allen

Motion seconded by: Mr. Callahan

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

2. Farmers Market District Redevelopment Plan: Creating a Fresh Food Focused Urban Neighborhood

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Medrano

Motion seconded by: Mr. Callahan

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

3. Best Practice in Economic Development

Presenter(s): LaToya Jackson, Assistant Director, Strategic Customer Service
Sue Hounsel, Senior Coordinator, Office of Economic Development

Action Taken/Committee Recommendation(s): No Action Taken

Motion made by: Mr. Medrano

Motion seconded by: Mr. Callahan

Item passed unanimously: _____

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

Upcoming Agenda Items

4. Vogel Alcove Expansion: New Market Tax Credit

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend item to full council for approval

Motion made by: Mr. Medrano

Motion seconded by: Mr. Callahan

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

- **Follow-up (if necessary):**

5. Consultant Selection for Public Awareness and Marketing Assistance to Complement GrowSouth

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to bring this item back to the Committee

Motion made by: Mr. Allen

Motion seconded by: Mr. Griggs

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

- **Follow-up (if necessary):**

6. 711 Elm Street Project – City Center TIF District (Lamar Corridor/West End Sub-district)

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Allen

Motion seconded by: Mr. Griggs

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

- **Follow-up (if necessary):**

7. Aloft Hotel Development Agreement Amendment – Downtown Connection TIF District

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Medrano

Motion seconded by: Mr. Allen

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

- **Follow-up (if necessary):**

**8. LTV Tower (1600 Pacific Ave.) Redevelopment Project Deadline Extension –
Downtown Connection TIF District**

Presenter(s): Karl Zavitkovsky, Director, Office of Economic Development

Action Taken/Committee Recommendation(s): Motion made to recommend items to council for approval.

Motion made by: Mr. Medrano

Motion seconded by: Mr. Griggs

Item passed unanimously: X

Item passed on a divided vote:

Item failed unanimously:

Item failed on a divided vote:

- **Follow-up (if necessary):**

Meeting Adjourned: 10:35 AM

Approved By: _____

Memorandum



DATE January 3, 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 **The Olympic Project (1401 Elm Street) – Downtown Connection TIF District**

On Monday, January 6, 2014, the Economic Development Committee will be briefed on the The Olympic Project (1401 Elm Street) – Downtown Connection 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

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The Olympic Project (1401 Elm Street)
Downtown Connection TIF District

Economic Development Committee

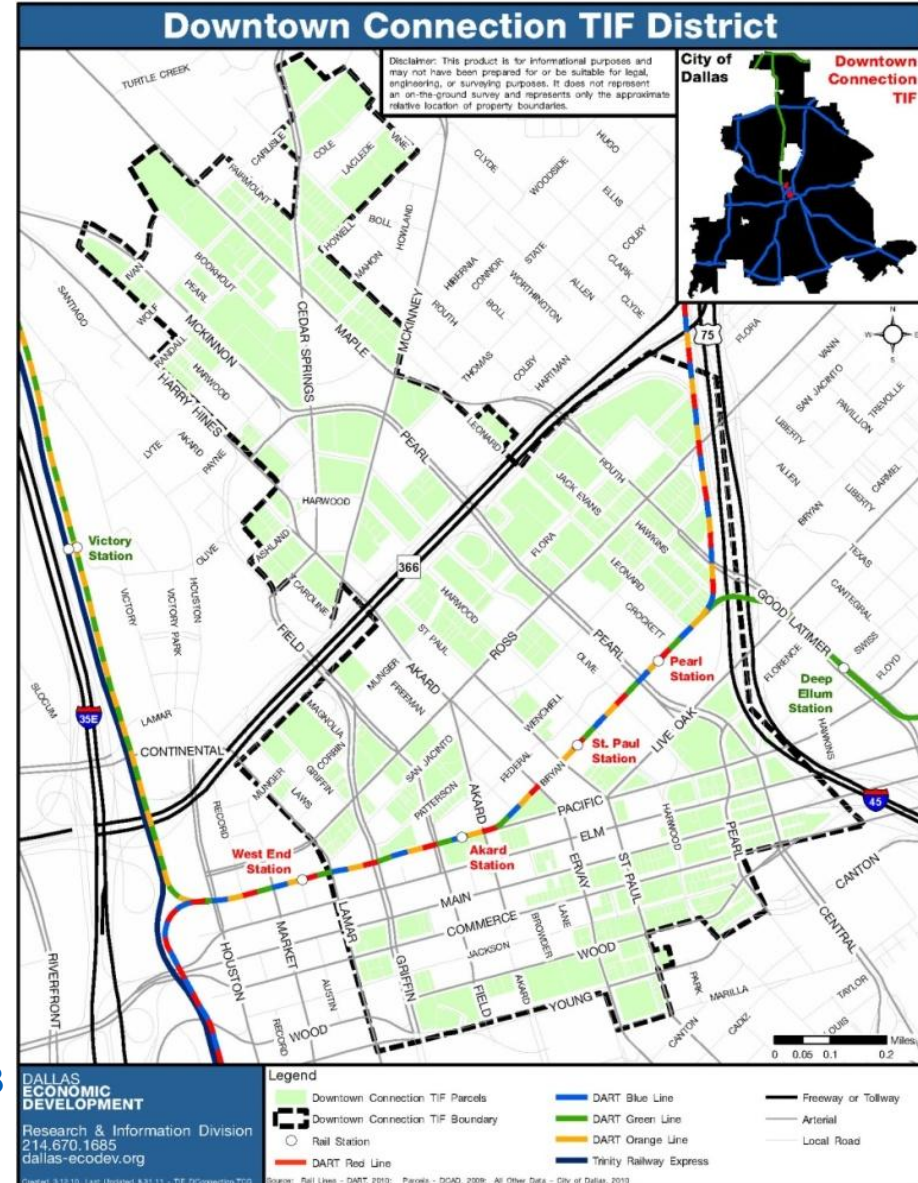
January 6, 2014

Purpose

- Provide background information on Downtown Connection TIF District
- Review the Olympic Project
- Review Budget Status of Downtown Connection TIF District
- Obtain Economic Development Committee's approval for consideration of the project by City Council on January 22, 2014

Downtown Connection TIF District Background

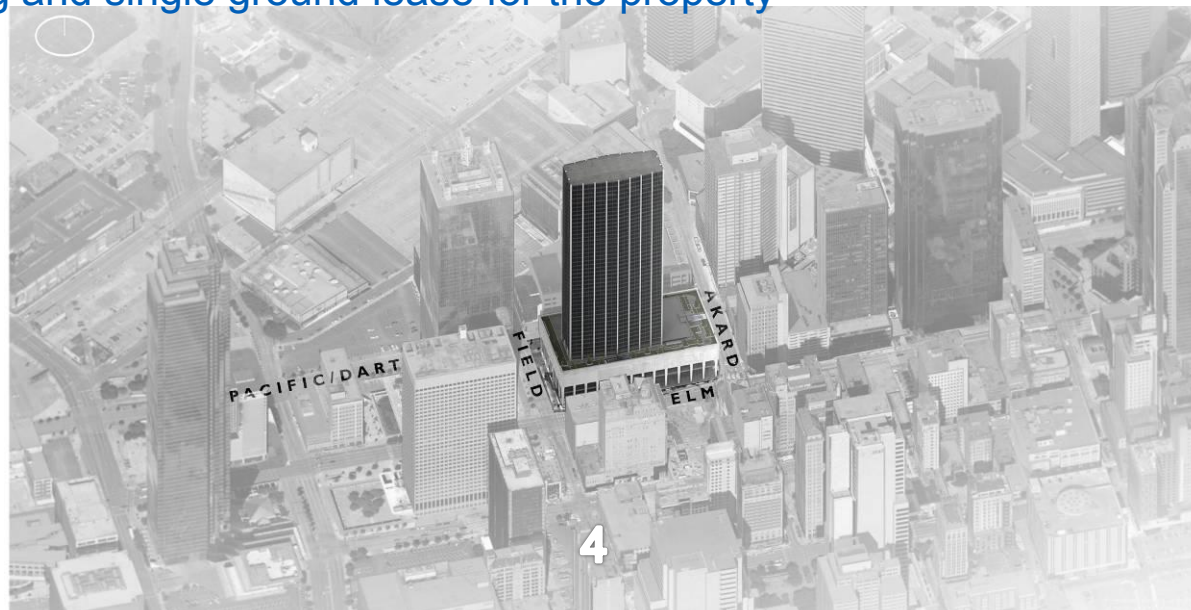
- Created June 2005
- Project Plan and Reinvestment Zone Financing Plan originally approved August 2005, amended May 2013 to increase budget for district
- Expires December 31, 2035, or when approximately \$514.9 million in TIF increment has been collected (NPV of \$231.6 million)
- Established to fund projects creating a greater density/critical mass of development within an expanded Downtown core with focus on strengthening connectivity to/between the core and growing downtown areas



Downtown Connection TIF District

1401 Elm Street Building Background

- Construction began 1961; building opened in 1965
- Designed by George L. Dahl originally for First National Bank of Dallas
- Closed January 2010 after Bank of America's lease ended December 2009
- Environmental study conducted 1991 showed asbestos containing materials present in the building
- Largest vacant contiguous block downtown
- City Council approved \$30M in TIF funding for redevelopment of building in 2011; developer unable to make project work financially
- September 2013, Olympic 1401 Elm Associates, LLC entered into contract to purchase the building and single ground lease for the property



The Olympic Project

Project Description

- 1.5 million square foot building has 52 floors (2 floors underground)
- **Mixed use redevelopment:**
 - **Residential** – 512 Units (levels 11 through 48)
 - **Office Space** – 71,133 square feet
 - **Retail/Restaurant Space** – 71,555 square feet
 - **Interior Public Space** – Outdoor plaza on portion of 9th floor and Observation deck on 5th floor
 - **Parking** – 925 spaces (basement and levels 6 through 8 of building's podium)
- **Project Cost:** \$151,283,000
- **Start Construction:** 08/2014
- **Complete Construction:** 12/2016
- **Design Review:** Design Peer Review Panel (10/25/2013) reviewed and approved design of project
- **Historic Tax Credits:** Developer has elected to forgo applying for Historic Tax Credits for project to allow for greater flexibility in building design

The Olympic Project

Project Design



Akard Street Elevation - Existing



Corner of Elm and Field Street - Existing



The Olympic Project

Project Sponsorship – Olympic Property Partners

- Olympic Property Partners, a New York based full-service, vertically integrated company with expertise in all facets of development, ownership and management of commercial real estate.
 - Principals have developed and/or owned over ten million square feet of commercial property, including residential, office, retail and hospitality
 - Has both the financial strength and development expertise to redevelop the building
 - Headquarters located at Olympic Tower in midtown Manhattan with satellite offices in Stamford, CT and London, UK.
- Olympic Property Partners Principals
 - **Seth Weinstein** - real estate financier, developer and entrepreneur spanning almost 35 years; Mr. Weinstein has developed and repositioned millions of square feet of real estate involving complex environmental, historical and innovative projects.
 - **Stephen Chalk** - 25 years of hotel, resort and condo-multifamily development experience. He has 15 years experience in the Food Service Industry. Within the last 18 years he has been an integral part in the development, consulting and supply in various, mostly luxury, hotels in the US, Europe and Caribbean. His clients include Ritz Carlton, Four Seasons, Millennium, Extel Developments, Marriot, Jack Nicklaus Organization, and numerous of well known developers and finance partners.
- Mr. Weinstein and Mr. Chalk are principals in Olympic 1401 Elm Associates, LLC, the entity formed to redevelop 1401 Elm Street building.

The Olympic Project

Project Funding Sources and Uses

Sources	Amount	%	Uses
Private Equity	\$45,383,000	30%	Acquisition and Construction
Senior Loan	\$50,780,000	34%	Construction
Mezzanine Loan	\$55,120,000	36%	Construction
\$151,283,000			

The Olympic Project

Proposed TIF Funding

- Majority of proposed TIF funds will be used to reimburse environmental remediation/demolition, public infrastructure costs and façade improvements
- The Olympic project would not occur, but for TIF funding
- Proposed TIF funding shall not exceed \$50M, \$45M principal with up to \$5M in interest (accruing at a fixed rate equal to that of a municipal bond on the day of City Council approval, as determined by the City's Financial Advisor)

Description	Amount
Redevelopment of Vacant/Underutilized Downtown Buildings	
<i>Environmental Remediation and Demolition</i> (includes costs of environmental site assessment costs)	\$14,020,000
<i>Street/Utility Improvements</i> (includes streetscape improvements)	\$3,000,000
<i>Façade Improvements</i>	\$24,000,000
<i>Economic Development TIF Grant</i> (offsets portion of costs for stair park only)	\$1,880,000
<i>Architectural/Engineering</i>	\$2,100,000
Total TIF Base Funding Proposed	\$45,000,000

The Olympic Project

TIF Board Funding Recommendation

- On November 18, 2013, the Downtown Connection TIF District Board of Directors reviewed and approved TIF funding for the Olympic project in an amount not to exceed \$50,000,000, \$45,000,000 in principal and up to \$5,000,000 in interest.

The Olympic Project

Highlights of TIF Funding Conditions

- Minimum private investment \$100,000,000, construction and construction related soft costs
- Redevelopment shall include a minimum of 452,000 square feet:
 - Minimum 25,000 square feet of retail/restaurant space
 - Minimum 387,000 square feet (approximately 400 residential units) of residential space, inclusive of resident storage space
 - Minimum 40,000 square feet of office space
- Renovation and maintenance of a public observation deck on the 50th floor of building
- Creation of an outdoor public plaza on a portion of the 9th floor of building
- Start construction and/or demolition for the Project by August 31, 2014;
- **Provide proof of project financing by August 31, 2014;**
- Certificate of Occupancy (CO) for the Project by December 31, 2016;
- 25% of total net leasable commercial (non-residential) space with a minimum of 50% of ground floor space must be occupied prior to TIF payment;
- Project shall be managed by a management company acceptable to Director

The Olympic Project

Highlights of TIF Funding Conditions (Continued)

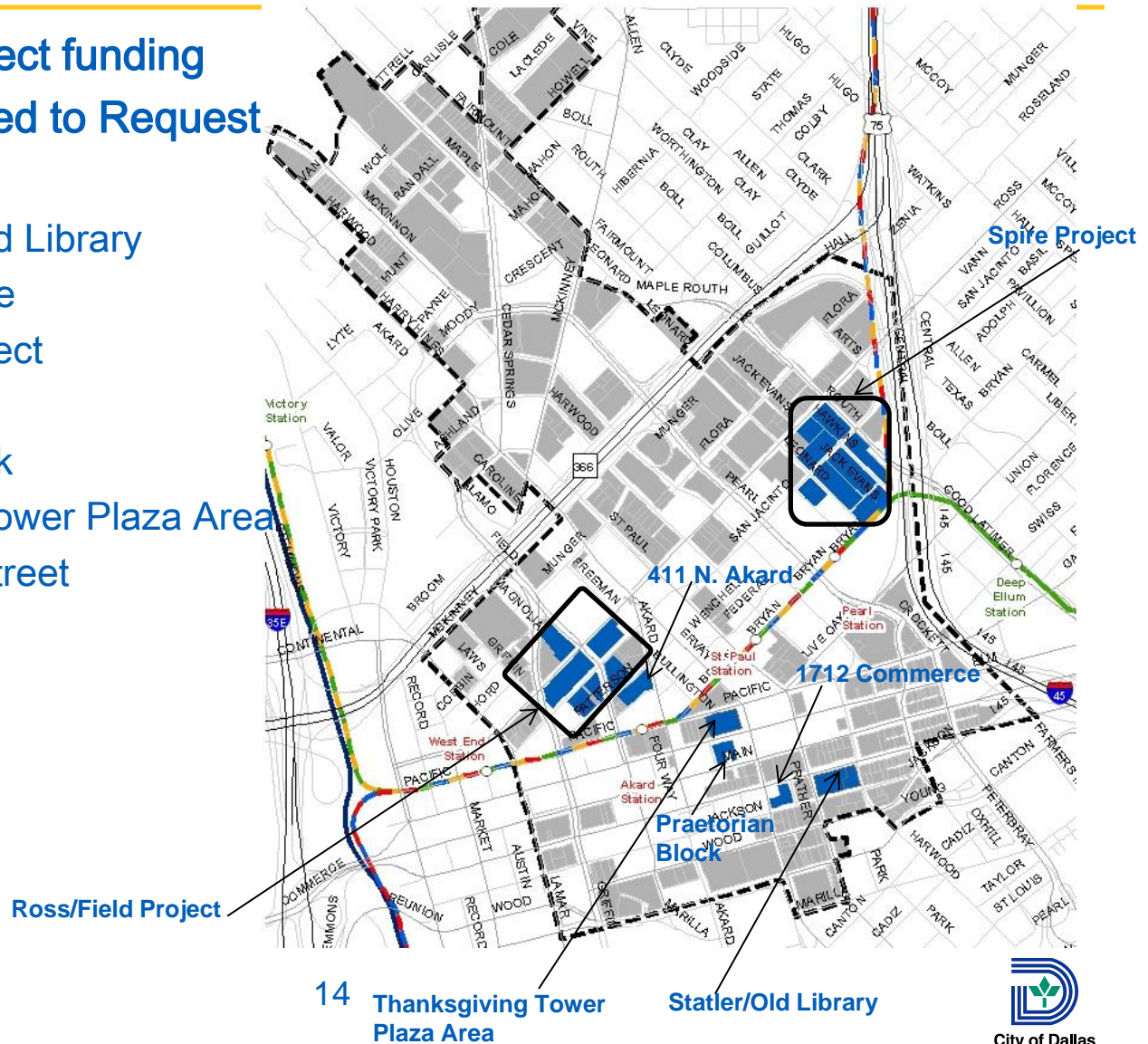
- **Mixed Income Housing Requirement:** A minimum of 10% of the Project's residential units must comply with the City's Mixed Income Housing Guidelines for the City Center TIF District
- Market the apartments pursuant to an affirmative fair housing marketing plan;
- Final acceptance of public infrastructure improvements from Public Works and Transportation Department by December 31, 2016;
- Execute Operating and Maintenance agreement for public infrastructure improvements by December 31, 2016, for 20 years;
- Construction shall be in general conformance with site plans approved by the Downtown Connection TIF Board of Directors and Dallas City Council;
- Submit quarterly status reports for ongoing work on the project
- 25% MWBE participation for TIF reimbursable improvements; 25% Good Faith Effort for private construction
- Project deadline can be extended 12 months, with Director and Downtown Connection TIF District Board of Directors approval

Strategic Importance of Proposed Project

- Activates the largest remaining vacant building in the core
- Adds to the residential population downtown
- Improves pedestrian connections to the Akard Street light rail station; improvements will be made to the DART station on both sides
- Located on the DART Line, project support DART Light Rail ridership

Remaining Downtown Projects/Priorities

- \$90M left for project funding
- Projects Anticipated to Request TIF Funding:
 - Statler Hotel/Old Library
 - 1712 Commerce
 - Ross/Field Project
 - Spire Project
 - Praetorian Block
 - Thanksgiving Tower Plaza Area
 - 411 N. Akard Street



Recommendation

- Staff requests ECO Committee's approval of consideration of a development agreement with Olympic 1401 Elm Associates, LLC for TIF reimbursement not to exceed \$50,000,000, \$45,000,000 in principal and up to \$5,000,000 in interest for the Olympic project by City Council at their January 22, 2014 Council meeting.

APPENDICES

Appendix A: Project Requirements/Other Information

The Olympic Project Facts	
Minimum Residential Space (required)	387,000 s.f. Approx. 400 Units
Minimum Affordable Housing Units	40 Units or 10% of Total Residential Units
Minimum Office Space	40,000 s.f.
Minimum Retail Space	25,000 s.f.
Parking Spaces	925
Required Private Investment – (construction hard and soft costs)	Min. \$100,000,000
Expected Total Project Cost	\$151,283,000
TIF Funding	\$45,000,000 + up to \$5,000,000 interest
% TIF funds to total project cost	33.05%
Return on Cost without TIF	5.10%
Return on Cost with TIF	7.70%
Deadline to Obtain Building Permit	August 31, 2014
Deadline to Obtain Final CO	December 31, 2016

Appendix B: The Olympic Project

Project Proforma

The Olympic Project Proforma			
Downtown Connection TIF District			
PROJECT DESCRIPTION:	1401 Elm Street		
PROJECT TYPE:	Mixed Use (Residential, Retail, Office, Parking)		
CONSTRUCTION START DATE:	August 31, 2014		
PROJECT SCHEDULE:	December 31, 2016		
Residential Units			
	SF	# of Units	Avg SF
Total/Avg	494,126	512	965
Use Breakdown			
	SF	Total Leasable/Rentable SF	
Residential (including storage space)	535,371	1,123,626	
Retail	71,555		
Office	71,133	Total Bldg SF (Gross)	
Amenity Space (rentable space on publically accessible areas)	15,497	1,502,432	
Parking (sub-surface and building podium)	430,070		
Back of House and Common Areas	378,806		
Project Costs		Revenue	
Hard Cost	\$105,521,000	Residential Revenue	\$9,072,153
Soft Cost (less Developer Fee)	\$20,822,000	Retail Revenue	\$1,775,861
Acquisition	\$20,600,000	Office Revenue	\$1,138,128
		Parking Revenue	\$738,150
Total Project Cost (without City \$)	\$146,943,000	Total Revenue	\$12,724,292
		Expenses	
Total Project Cost	\$146,943,000	Residential Expenses	(\$997,937)
TIF Assistance	\$50,000,000	Parking Expenses	(\$280,497)
Net Cost to Developer (after TIF reimbursement)	\$96,943,000	Common Area Maintenance	(\$479,446)
		Utilities, Property Taxes, Insurance	(\$3,053,830)
Return on Cost Analysis		Management Fees	(\$445,350)
NOI/Total Project Costs		Total Expenses	(\$5,257,060)
Return on Cost (without City \$)	5.1%	NOI	\$7,467,232
Return on Cost (with City \$)	7.7%	<small>Notes: Stabilized rates in year 5; Revenue reflects vacancy rates for Residential 10%, Retail 15%, Office 20%, Parking 5%</small>	

Downtown Connection TIF District Reimbursement Queue

Downtown Connection TIF District Reimbursement Queue As of September 2013

Reimbursement Priority ¹	Project Name	Priority Date	Construction Status	Primary TIF Reimbursement	Maximum Interest	Total Eligible TIF Reimbursement	Project Generated Increment Only ⁴	Reimbursement Status
1	Stoneleigh Hotel	5/30/2010	Completed	\$2,500,000	\$0	\$2,500,000	Yes	To Be Paid
2	Hall Lone Star ²	5/30/2010	Completed	\$852,764	\$2,000,000	\$2,852,764	No	To Be Paid
3	Santa Fe IV - Aloft Hotel	5/30/2010	Completed	\$4,296,264	\$0	\$4,296,264	No	To Be Paid
4	Grand Ricchi Dallas - 1600 Pacific	10/26/2010	Completed	\$8,830,000	\$4,040,200	\$12,870,200	No	N/A
5	Joule Hotel Expansion	1/19/2011	Under Construction	\$20,658,500	\$0	\$20,658,500	No	N/A
6	Atmos Complex Phase I	6/20/2011	Completed	\$3,250,000	\$3,000,000	\$6,250,000	No	N/A
7	Joule Hotel Expansion Amendment	8/10/2011	Under Construction	\$3,194,409	\$0	\$3,194,409	No	N/A
8	Continental Building ³	9/16/2011	Under Construction	\$13,305,700	\$4,222,588	\$17,528,288	No	N/A
9	Atmos Complex Phase II	5/21/2013	Approved	\$11,750,000	\$5,000,000	\$16,750,000	No	N/A
10	Hall Lone Star Project - Phase II ²	8/22/2013	Approved	\$5,000,000	\$0	\$5,000,000	No	N/A
TBD	1914 Commerce Street	TBD	Approved	\$13,168,950	\$0	\$13,168,950	No	N/A
TBD	1954 Commerce Street	TBD	Approved	\$3,020,350	\$0	\$3,020,350	No	N/A
TBD	1401 Elm Street	TBD	Approved	\$30,000,000	\$0	\$30,000,000	No	N/A
TBD	PetroCorrigan Project	TBD	Under Construction	\$10,300,000	\$0	\$10,300,000	No	N/A
TBD	500 S. Ervay	TBD	Approved	\$5,000,000	\$0	\$5,000,000	No	N/A
TBD	LTV Tower Project	TBD	Approved	\$17,500,000	\$0	\$17,500,000	No	N/A
						\$170,889,725		

Notes:

¹The priority ranking of an approved project is established by the submittal of evidence to the City of an executed construction loan and building permit for the project.

²Hall Lone Star Project, Phases I and II, is eligible to receive up to \$2M in interest. The full \$2M in interest is shown in Phase I of the project.

³The Total TIF Reimbursement for the Continental Building project is \$22,528,288 (includes an additional \$2.5M in bond proceeds).

⁴Based on the development agreement for the project, reimbursement may take the form of project generated increment only or project generated increment plus shared increment.

Downtown Connection TIF District

Budget Status

Remaining Funds for Projects \$110,372,653 (see budget)
 Plus Savings from Aloft Project \$ 559,845
Less Additional 1401 Elm Request \$ 20,000,000 (\$30 million previously budgeted for the building)
Total Remaining Funds for Project \$ 90,932,498

Projects Anticipated to Request TIF Funding

- Statler Hotel/Old Library
- 1712 Commerce
- Ross/Field Project
- Spire Project
- Praetorian Block
- Thanksgiving Plaza Area

Budget values may fluctuate as a result of district property value changes as provided by DCAD, completion of projects within the district, changes in tax rates for taxing jurisdictions, etc.

Downtown Connection TIF District Current Projected Increment Revenues to Retire TIF Fund Obligations			
	B	C	B - C
Category	Estimated Total Dollar TIF Budget	Allocated ³	Estimated Total Dollar Balance
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and s	\$68,000,000	\$68,000,000	\$0
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affor	\$281,262,378	\$170,889,725	\$110,372,653
Uptown/Downtown connection improvements	\$0	\$0	\$0
Park and plaza design and acquisition	\$3,335,415	\$0	\$3,335,415
Affordable Housing²	\$3,000,000	\$2,000,000	\$1,000,000
Retail Initiative/Streetscape Improvements	\$1,985,000	\$459,845	\$1,525,155
Downtown Area Plan	\$515,000	\$512,464	\$2,536
Administration and Implementation	\$6,512,935	\$617,914	\$5,895,021
Debt Service (Interest Only)	\$150,363,000	\$150,363,000	\$0
Total Project Costs	\$514,973,728	\$392,842,948	\$122,130,780

¹TIF Budget shown above in total dollars; TIF Project Plan shows the budget in net present value.
²The Affordable Housing line item has been reduced by the amount of money allocated to the Continental project
³The Allocated total shown for the Redevelopment of Vacant/Underutilized Downtown Building line item reflects total TIF District's commitment to projects currently in the Reimbursement Queue

Appendix C: The Olympic Project

Development Team – Examples of Work



145 East 32nd Street, New York City. This 1920's office building was completely restored on the exterior and lobby to its original beauty and gut renovated and modernized on the interior. Substantial environmental remediation was required. All systems were replaced. The building was then fully leased including both the retail and office components.

One Atlantic Street, Stamford. This magnificent 1920's office building was restored to its original exterior detail and the lobby and major interior features were recreated. The original bank hall was restored including recreating fixtures and architectural details. The office floors were gutted and fully modernized.



260 Peachtree Street, Atlanta: This former east coast headquarters of Sun Life Insurance was gut renovated from a single tenant use including complete asbestos remediation, exterior and interior renovations, creation of an award winning lobby, health club, dining club and other amenities to create a class A multi-tenant office building in the heart of downtown Atlanta.

Memorandum



DATE January 3, 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 **Flora Lofts Project – Downtown Connection/City Center TIF Districts**

On Monday, January 6, 2014, the Economic Development Committee will be briefed on the Flora Lofts Project – Downtown Connection/City Center TIF Districts.

Briefing material is attached.

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



Ryan S. Evans
Interim First Assistant City Manager

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Flora Lofts Project
Downtown Connection/City Center TIF Districts

Economic Development Committee

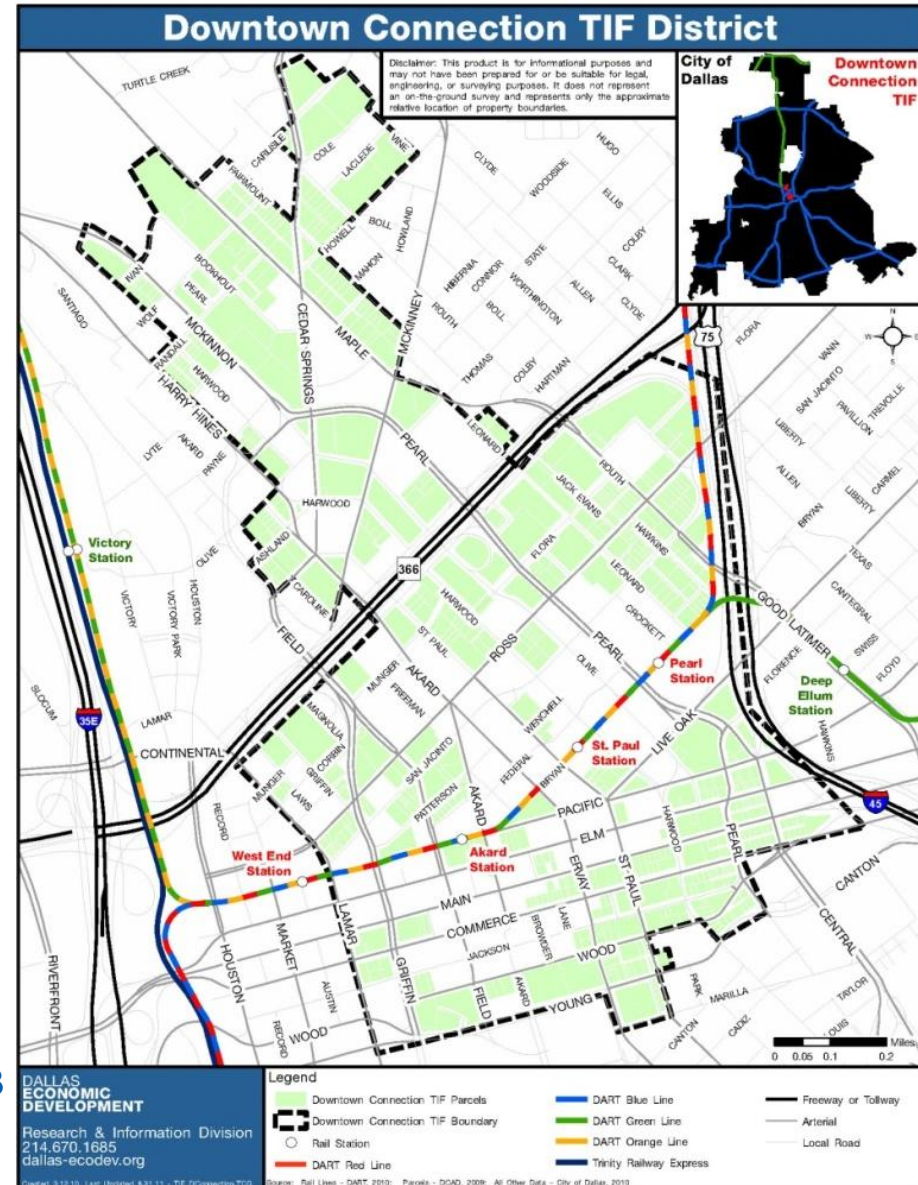
January 6, 2014

Purpose

- Provide background information on Downtown Connection TIF District
- Review the Flora Lofts Project
- Obtain Economic Development Committee's approval for consideration of the project by City Council on January 22, 2014

Downtown Connection TIF District Background

- Created June 2005
- Project Plan and Reinvestment Zone Financing Plan originally approved August 2005, amended May 2013 to increase budget for district
- Expires December 31, 2035, or when approximately \$514.9 million in TIF increment has been collected (NPV of \$231.6 million)
- Established to fund projects creating a greater density/critical mass of development within an expanded Downtown core with focus on strengthening connectivity to/between the core and growing downtown areas



Flora Lofts Project

Location Map

- Located in the Downtown Connection TIF District
- Located in the Arts District with close proximity to City of Dallas public investments



Flora Lofts Project

Project Description

- **Mixed use project:**
 - **Residential for local working artists – 39 Affordable Units & 7 Market Rate Units**
 - 4 Units at 30% AMFI
 - 10 Units at 50% AMFI
 - 25 Units at 60% AMFI
 - **Ground Floor Retail – 8K square feet**
 - **Underground Parking Garage – 215 parking spaces**
 - Affordable Residential – 30 parking spaces
 - Market Rate Residential – 16 parking spaces
 - Leasable Spaces - 169
 - **Surface Parking – 55 parking spaces** (in addition to parking garage spaces)
- **Project Cost: \$24,527,802**
- **Start Construction: 05/2014**
- **Complete Construction: 12/2015**
- **Design Review: Design Peer Review Panel (03/22/2013) reviewed and approved design of project**
- **Low Income Housing Tax Credits: The project has been approved for tax credits for the residential portion of the project**

Flora Lofts Project

Project Design



Flora Lofts Project

Project Sponsorship – Arts District Properties, Ltd

- **GRAHAM GREENE** AIA has engaged, over the last 30 years, in the ownership and investment of complex multi use developments consisting of mixed income housing, urban retail and educational facilities. He has been a primary catalyst for and held a majority ownership in the realization of over 1 million square feet of high density urban development in Dallas, Texas. Each project is conceived to fit a unique situation or specialized need where the standard production oriented developers have shown little interest.
- **GRADY (BUDDY) JORDAN JR.** Real estate investor/developer for more than 40 years in DFW and Oklahoma. Former tax CPA & Management Consultant (Coopers & Lybrand). Developed more than 3 million square feet of commercial and residential space. Currently active in development of 1701 Canton, 508 Park, 515 Park, Las Colinas Equestrian Center. Charitable/Civic engagements include – Elder of First Presbyterian Church, Director of Interfaith Housing Coalition, Director of North Texas Education Finance Corp.
- **JOHN WESLEY MILLER** is a CPA with an extensive real estate background. He began his public accounting career with Price Waterhouse and Ernst & Young (5 years in audit and tax departments.) Mr. Miller has been self employed since 1993 and currently serves on two Dallas TIF boards (Deep Ellum and Farmers Market). Previous experiences include development and management of suburban office buildings, (250,000sf), adaptive reuse of historic buildings in an urban setting (over 700 residential units), loan workout and management of troubled loans (loan portfolio management of \$1,000,000,000), multiple aspects of operational management of REO assets (\$500,000,000), operation oversight of Arts District parking (10+ years).

Flora Lofts Project

Project Funding Sources and Uses

Sources	Amount	%	Uses
Private Equity	\$5,485,925	22%	Land Value and Construction
Low Income Housing Tax Credits	\$5,000,000	20%	Construction
City of Dallas Home Funds Loan	\$1,100,000	5%	Construction
Construction Loan	\$12,941,877	53%	Construction
\$24,527,802			

Flora Lofts Project

Proposed TIF Funding

- Proposed TIF funding will provide inexpensive public parking for cultural district/park patrons in an optimal location within the Arts District
- City will enter into a lease of spaces in the parking garage in an amount not to exceed \$2M
- Independent appraisals were conducted to establish fair market rental rate for the lease
- The appraisals support a rental rate of \$200/space/month
- At this rate, the City will lease 50 parking spaces for 15 years in the garage
- These spaces will provide short-term public parking spaces at a reduced rate in the Arts District
- The City will make annual payments to the owner
- Lease payments will be funded from the City Center TIF District's Parking Initiative budget line item
- Sharing of revenue generated by City leased spaces is being negotiated with Owner

Flora Lofts Project

TIF Board Funding Recommendation

- On May 9, 2013, the City Center TIF District Board of Directors reviewed and approved TIF funding to lease parking spaces in the parking garage component of the Flora Lofts Project in an amount not to exceed \$2,000,000.

Flora Lofts Project

Highlights of TIF Funding Conditions

- Minimum private investment of \$12,000,000 for construction and construction related soft costs for residential and parking garage components of Project
- Minimum 30,000 square feet of residential space (approximately 37 units)
- Minimum 5,000 square feet of retail and office space
- Minimum 85,000 square feet of below ground parking (approximately 200 parking spaces)
- City will lease 50 spaces in the parking structure
- Lease term 15 years
- Total amount of TIF funding shall not exceed \$2M
- City will make annual lease payment on or by July 1st
- City leased spaces shall serve transient/public parking, excluding office, valet, special event contract parking and resident parking
- Owner shall fund all maintenance and operating expenses for the garage, including security
- Start construction and/or demolition by September 30, 2014
- Obtain Certificate of Occupancy (CO) by December 31, 2015

Flora Lofts Project

Highlights of TIF Funding Conditions (Continued)

- Obtain final acceptance of public infrastructure improvements from the Public Works and Transportation Department by December 31, 2015
- Operating and Maintenance agreement for public infrastructure improvements December 31, 2015, for 20 years
- Mixed Income Housing: A minimum of 10% of the Project's total residential units must meet District's Mixed Income Housing Guidelines (85% of units are affordable)

Strategic Importance of Proposed Project

- Provides affordable housing for artists in the Arts District
- Provides inexpensive short term public parking for cultural district/park patrons at a convenient location within the Arts District
- Provides parking solutions for under parked buildings in the Arts District

Recommendation

- Staff requests ECO Committee's approval of consideration of a lease agreement with Arts District Properties, Ltd. for parking spaces in the parking garage component of the Flora Lofts project by City Council at their January 22, 2014 Council meeting.

APPENDICES

Appendix A: Project Requirements/Other Information

Flora Lofts Project Facts	
Minimum Residential Space (required)	305,000 s.f. Approx. 37 Units
Affordable Housing Units Provided	37 Units
Market Rate Units Provided	9 Units
Minimum Retail Space	5,000 s.f.
Minimum Parking Space	85,000 s.f. 200 spaces
Required Private Investment (construction hard and soft costs)	Min. \$12,000,000
Expected Total Project Cost	\$24,527,802
Cost of Parking Garage (construction hard and soft costs)	\$10,336,126
TIF Funding	\$2,000,000
% TIF funds to total project cost	8.15%
Deadline to Obtain Building Permit	May 31, 2014
Deadline to Obtain Final CO	December 31, 2015

Appendix B: Flora Lofts Project

Project Proforma

Flora Lofts Project Proforma			
Downtown Connection TIF District			
PROJECT ADDRESS:	2121 Flora Street		
PROJECT TYPE:	Mixed Use (Residential, Retail, Parking)		
CONSTRUCTION START DATE:	May 31, 2014		
PROJECT COMPLETION DATE:	December 31, 2015		
	<u>SF</u>	<u># of Units</u>	<u>Avg SF</u>
Residential Units	44,233	47	941
<u>Use Breakdown</u>	<u>SF</u>		<u>Total Leasable SF</u>
Residential	44,233		142,016
Retail	10,078		
Garage (include parking lobby)	87,705		<u>Total Bldg SF (Gross)</u>
Common Areas	6,902		163,098
<u>Project Costs</u>		<u>Revenue</u>	
Total Cost	\$21,744,862	Residential Revenue	\$556,248
Land Cost	\$2,782,940	Retail Revenue	\$313,746
Total Project Cost (without City \$)	\$24,527,802	Parking Revenue	\$1,126,320
		Total Revenue	\$1,996,314
Total Project Cost	\$24,527,802	<u>Expenses</u>	
TIF Assistance	\$2,000,000	Residential Expenses	(\$248,189)
Net Cost to Developer (after TIF reimbursement)	\$22,527,802	Retail Expenses (includes 20% Vacancy)	(\$115,647)
		Parking Expenses	(\$427,371)
		Total Expenses	(\$543,018)
<u>Return on Cost Analysis</u>		<u>NOI</u>	
<u>NOI/Total Project Costs</u>			\$1,010,673
Return on Cost (without City \$)	4.1%		
Return on Cost (with City \$)	4.5%		

Appendix C: Flora Lofts Project

Development Team – Examples of Work

- **1900 Elm / Titche-Goettinger Building**
230,000sf / 130 Residential Lofts, Retail and Parking
- **1901 Main / Dallas Universities Center Higher Education Facility**
450,000sf Adaptive Reuse of Commercial Property into Higher Education Facility
- **3311 Elm / 3300 Main / 3401 Commerce**
320,000sf / 140 Historic Residential Live/Work Loft Units / Parking
- **3200 Main Street**
- **60,000sf Mixed-Use Building / 61 Residential Live/Work Loft Units, Retail, Theater and Parking**
- **Hillcrest House HIV / Shelter + Care SRO Housing**
- **43,000sf / 70 Units Permanent Supportive Housing / Parking**
- **Prince of Wales / Life Net Center / SRO Residential Hotel**
35,000sf / 63 Units Permanent Supportive Housing / Parking

Memorandum



CITY OF DALLAS

DATE January 3, 2013

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

SUBJECT Amendments to Variances to Alcohol Spacing Requirements

On Monday, January 6, 2014, the Economic Development Committee will be briefed on possible amendments to the standards for variances to alcohol spacing requirements in Chapter 6 of the City Code. The briefing material is attached for your review.

Please feel free to contact me if you need additional information.

A handwritten signature in black ink, appearing to read 'Theresa O'Donnell'.

Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, Interim City Manager
Rosa Rios, City Secretary
Warren M.S. Ernst, City Attorney
Judge Daniel Solis, Administrative Judge
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Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
David Cossum, Director, Sustainable Development and Construction
Jeanne Chipperfield, Chief Financial Officer
Elsa Cantu, Assistant to the City Manager – Council Office

Amendments to Variances to Alcohol Spacing Requirements

Chapter 6, Alcoholic Beverages

City Council
Economic Development Committee
January 6, 2014



Background

Alcohol-based Zoning Uses

- Dallas has three alcohol-based zoning uses:
 - Alcoholic beverage establishment, which has three subuses:
 - Bar, lounge, tavern
 - Microbrewery, microdistillery, or winery
 - Private-club bar
 - Liquor store
 - Alcoholic beverage manufacturing
- Other zoning uses can have alcohol permits, typically:
 - General merchandise or food store (grocery store, convenience store)
 - Restaurant

Background

Wet Areas

- Dallas now has two wet areas:
 - The historic fully-wet area (northwest Dallas, Downtown, east Dallas, South Dallas) allows all types of alcohol permits.
 - The local option election on November 2, 2010 created a newly wet area (North Dallas, Oak Cliff, Far South Dallas) that allows:
 - Beer and wine for off-premise consumption (grocery stores, convenience stores, liquor stores that sell only beer or wine)
 - Mixed beverages (beer, wine, cocktails) in restaurants with a food and beverage certificate
 - Alcohol manufacturing (brewery, winery, distillery) is allowed in any area that is wet for the sale of that type of alcohol.

Background

Spacing Regulations

- Texas Alcoholic Beverage Code (TABC) 109.33(a) authorizes the City Council to adopt alcohol spacing regulations.
- Dallas City Code 6-4(a) adopts the TABC spacing requirements.
 - Cities are pre-empted from regulating alcohol, except as allowed by the TABC, so our spacing requirements must match the TABC.
 - Section 6-4(a) requires that alcohol businesses be spaced at least 300 feet from churches, public or private schools, public hospitals, day-care centers, and child-care facilities, and spaced 1,000 feet from designated public or private schools.
- TABC Section 109.33(e) allows the City Council to grant variances from these spacing requirements.

Background

Evolution of the Variance Ordinance

- Ordinance No. 25465 (December 8, 2003)
 - Prohibited any variances from the spacing regulations.
- Ordinance No. 27747 (November 9, 2009)
 - Allowed variances only for grocery store with 50,000 square feet of floor area and a BQ wine and beer retailer's off-premise permit.
- Ordinance No. 28444 (October 26, 2011)
 - Reduced floor area for grocery stores from 50,000 square feet to 30,000 square feet.
 - Also allowed variance for:
 - BG wine and beer retailer's permit with a food and beverage certificate
 - MB mixed beverage permit with a food and beverage certificate
 - Restaurant without drive-through

Background

Evolution of the Variance Ordinance (con't)

- Ordinance No. 28565 (February 22, 2012)
 - Exempted Deep Ellum from the alcohol spacing regulations
- Ordinance No. 28799 (September 26, 2012)
 - Reduced floor area for grocery stores from 30,000 square feet to 10,000 square feet
 - Deleted the requirement that the front door of the alcohol business not face the protected use

Background

Current Standards for a Variance

- The application must be for a:
 - wine and beer retailer's permit pursuant to Chapter 25 of the TABC with a food and beverage certificate;
 - wine and beer retailer's off-premise permit pursuant to Chapter 26 of the TABC; or
 - mixed beverage permit pursuant to Chapter 28 of the TABC with a food and beverage certificate,

Background

Current Standards for a Variance (con't)

- The application must be for one of the following uses as defined in the Dallas Development Code:
 - a general merchandise or food store with 10,000 square feet or more of floor area; or
 - a restaurant without drive-in or drive-through service
- Alcoholic beverages may not be sold by drive-in or drive-through service.

Background

Current Standards for a Variance (con't)

- City Council must find that enforcement of the spacing requirements in this particular instance:
 - is not in the best interest of the public;
 - constitutes waste or inefficient use of land or other resources;
 - creates an undue hardship on an applicant for an alcohol permit;

Background

Current Standards for a Variance (con't)

- City Council must find that enforcement of the spacing requirements in this particular instance:
 - does not serve its intended purpose;
 - is not effective or necessary; or
 - for any other reason that the City Council, after consideration of the health, safety, and welfare of the public and the equities of the situation, determines is in the best interest of the community

Background

Current Standards for a Variance (con't)

- City Council may impose reasonable conditions on the variance.
- A variance is valid for subsequent renewals of the alcohol permit.
- The variance may not be transferred to another location or to another alcohol permit holder.

Background

Variance Applications Processed

- To date, staff has received a total of 21 variance applications.
 - 11 applications were approved for general merchandise or food stores.
 - 6 applications were approved for restaurants.
 - 2 applications are pending January City Council hearings for general merchandise or food stores.
 - 2 general merchandise or food store applications were withdrawn.

Variance Application Process

- The application fee is \$1,200.
- Notification signs must be posted on the property within 14 days after the application is submitted.
- Not less than 10 days before the city council hearing, the director must:
 - publish notice in the newspaper;
 - send notice to neighborhood associations in the area (via email to the department's early notification list); and
 - send notice to the protected use

House Bill 2818

- HB 2818 became effective September 1, 2013.
- Allows the following permits in an area that has the wet-dry status of Dallas' newly wet area if the permit holder also has a food and beverage certificate:
 - BG wine and beer retailer's permit (TABC Chapter 25)
 - Currently eligible for variances
 - BE retail dealer's on-premise license (TABC Chapter 69)
 - Currently not eligible for variances
 - BL retail dealer's on-premise late hours license (TABC Chapter 70)
 - Currently not eligible for variances

Breweries, Distilleries, and Wineries

- Ordinance No. 28700 (June 27, 2012) created a new “microbrewery, microdistillery, or winery” sub-use for facilities 10,000 square feet or less.
 - Allowed in Industrial zoning districts with RAR
 - Allowed in CR, RR, CS, Central Area, Mixed-Use, Urban Corridor, and Walkable Urban Mixed-Use zoning districts only by SUP
- Ordinance No. 28700 also created a new use, “alcoholic beverage manufacturing,” for facilities greater than 10,000 square feet.
 - Allowed in Industrial zoning districts with RAR
 - Allowed in Central Area districts only by SUP
- Currently, any size brewery, distillery, or winery cannot apply for a variance from the alcohol spacing requirements.

Purpose of Briefing

- Determine if City Council wants to add the permits addressed in HB 2818 to be eligible for applying for an alcohol variance.
- Determine if City Council wants to add alcoholic beverage manufacturing permits to be eligible for applying for an alcohol variance.
 - An inquiry was received for a proposed brewery located within 300 feet of an open-enrollment charter school.

Code Amendment Options

1. Amend the spacing requirements to allow variances for the permits allowed by HB 2818.
2. Amend the spacing requirements to allow variances for breweries, distilleries, or wineries.
3. Amend the spacing requirements to allow for variances for any kind of alcohol permit, and let City Council evaluate applications on a case-by-case basis.

Next Steps

- Schedule for City Council consideration

Memorandum



DATE January 3, 2014

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

SUBJECT **1210 South Lamar – Cherokee Lamar Associates LLC – Council Agenda
January 22, 2014**

Background

For the past several months, City staff has been in discussions with Cherokee Lamar Associates LLC (Cherokee Lamar), an affiliate of Matthews Holdings Southwest, Inc. regarding the potential development of a multi-family project consisting of approximately 280 residential units (245,000 square feet), ground floor retail (5,000 square feet) as well as a new 400+ stall parking garage located at 1210 South Lamar. Cherokee Lamar anticipates investing a total of \$28,739,000 on hard construction costs with the project. The company plans to begin work in the second quarter of 2014 and completing the project in two years.

In order to develop this project, Cherokee Lamar requests Council consideration of a 90 percent real property tax abatement for ten-years on the added tax value resulting from the improvements. The tax abatement will allow the project to move forward as it will ensure that the minimum return threshold for third party equity is achieved.

The project address is within the Cedars Tax Increment Finance (TIF) District. A tax abatement is sought for the project as opposed to support from the Cedars TIF District because the Cedars TIF District is set to expire in 2022. Given that substantial completion of the project will occur in approximately two years, the potential financial assistance from the Cedars TIF District was insufficient to achieve required returns. The proposed tax abatement will not negatively impact the anticipated reimbursement schedule for other projects within the Cedars TIF District. Pursuant to Chapter 311 of the Texas Tax Code, the abatement requires the approval of the Cedars TIF Board of Directors and City Council. The Cedars TIF Board recommended approval of the proposed tax abatement in December 2013. Further, as with any TIF district project, the project's design was evaluated by the City Design Studio and the Peer Review process.

Background Continued

In consideration of the incentives proposed, Cherokee Lamar will be required to: (1.) invest a minimum of \$27,000,000 in real property improvements and other related project costs such as design, engineering, architects, legal, financing fees, etc.; (2.) construct the development in a manner that is substantially compliant with the City Design Studio's Peer Review recommendations as determined by the City Design Studio staff; and, 3.) substantially complete the project by December 31, 2016. Staff recommends the proposed incentives.

Owner

Cherokee Lamar Associates LLC.
Kristian Teleki, Senior Vice President

Staff

J. Hammond Perot, Assistant Director
Christopher O'Brien, Sr. Coordinator

Recommendation

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.

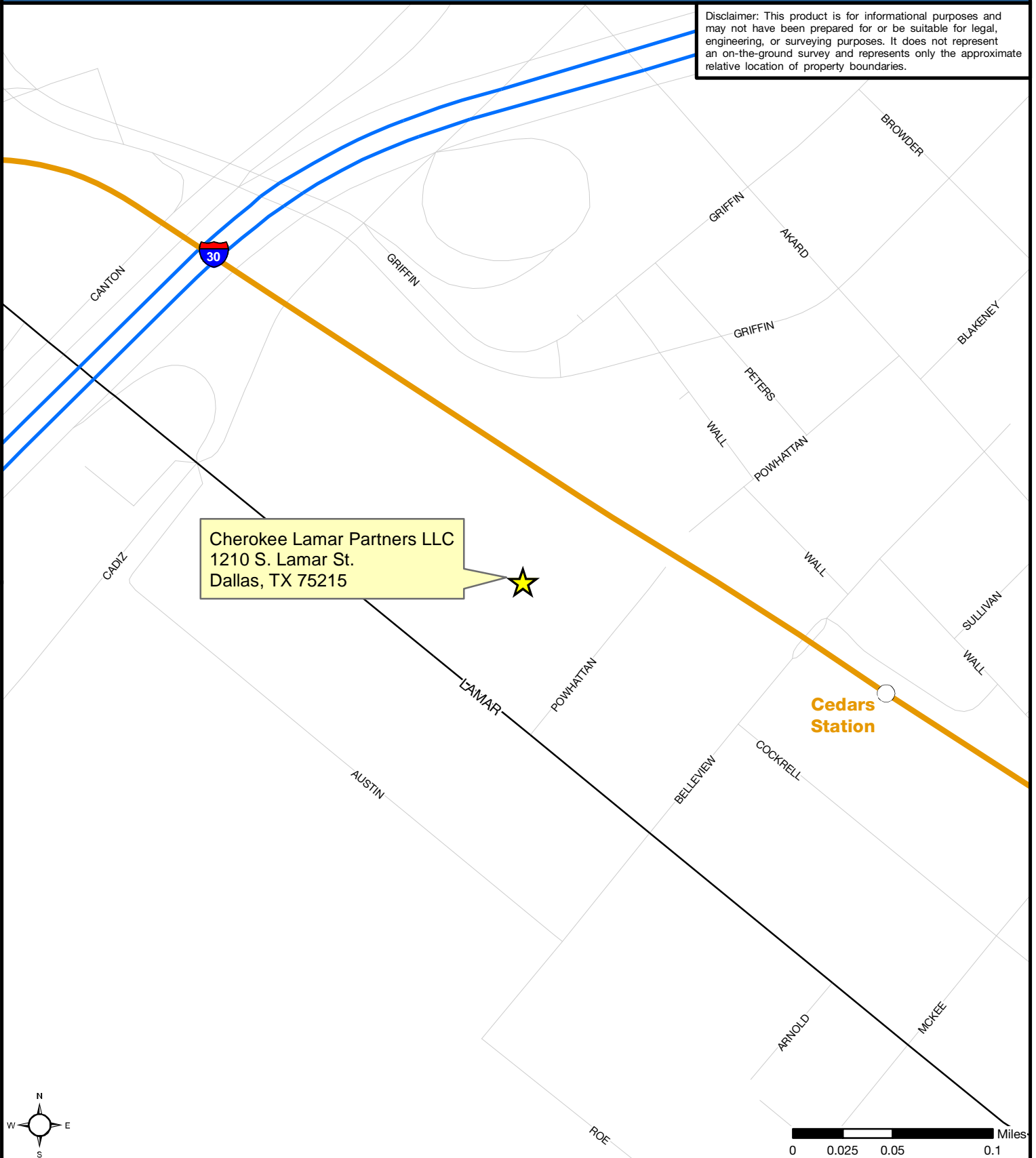


Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
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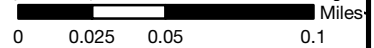
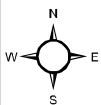
Cherokee Lamar Partners LLC

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Cherokee Lamar Partners LLC
1210 S. Lamar St.
Dallas, TX 75215

Cedars Station



DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

- Rail Station
- DART Light Rail

- Freeway
- Arterial
- Local Road

Memorandum



DATE January 3, 2014

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

SUBJECT **First Pinnacle Park – First Industrial Texas L.P. - Council Agenda January 22, 2014**

Background

For the past several months, City staff has been in discussions with First Industrial Realty Trust, Inc. (First Industrial) regarding a potential two-building distribution development to be located on land north of the intersection of Cockrell Hill Road and West Davis Street within Pinnacle Park south of IH-30. The proposed facilities would total approximately 598,138 s.f. and be owned by an affiliated entity, First Industrial Texas L.P. In order to develop this project, First Industrial requests council consideration of a 75 percent real property tax abatement for 8-years on added tax value resulting from the improvements to help offset costs associated with the property's topography.

The developer's plans call for Building A to be an approximately 376,424 s.f. cross-dock warehouse, and Building B to be an approximately 221,714 s.f. front load building. First Industrial anticipates investing approximately \$20 million on construction and related project costs for both facilities combined. The buildings are planned to be developed concurrently with construction commencing in March 2014 and completion desired in December 2014.

The City has worked with First Industrial for over a decade in an effort to facilitate this development. In September of the year 2000, the City Council approved a real property tax abatement of 90 percent for 10-years to assist the project. Even with the approved incentives, market conditions did not justify developing the property due to costs associated with leveling the site for development. Since the original project did not proceed, First Industrial did not receive the previously approved incentive. With the currently proposed tax abatement, the developer believes anticipated occupancy costs for tenants justify moving forward with the project.

In consideration of the proposed tax abatements, First Industrial will be required to: (1.) invest a minimum of \$18,000,000 in real property improvements and other related project costs such as design, engineering, architects, etc., and, (2.) substantially complete both building shells by June 30, 2015. Staff estimates that each building may eventually contain equipment and inventory of approximately \$25 million to \$35 million and house 50 to 150 jobs.

Background Continued

The forgone revenue associated with the proposed abatement is \$957,480. The 10-year net fiscal impact of this project is estimated at \$471,311 and staff recommends favorable consideration of the proposed incentives.

Since its inception in 1994, First Industrial has developed over 38 million square feet of industrial buildings at a cost of over \$1.7 billion. The company currently has 1.8 million s.f. of industrial buildings under construction in the U.S. at an estimated project cost of approximately \$129 million (excluding the proposed buildings in this item). Within the D/FW metropolitan area, the company owns fifty-seven buildings totaling 5,094,961 s.f. and has six buildings within the Dallas totaling 687,237 s.f.

Owner

First Industrial Texas L.P.
Royal Pratt, Area Director

Staff

J. Hammond Perot, Assistant Director
Christopher O'Brien, Sr. Coordinator

Recommendation

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.

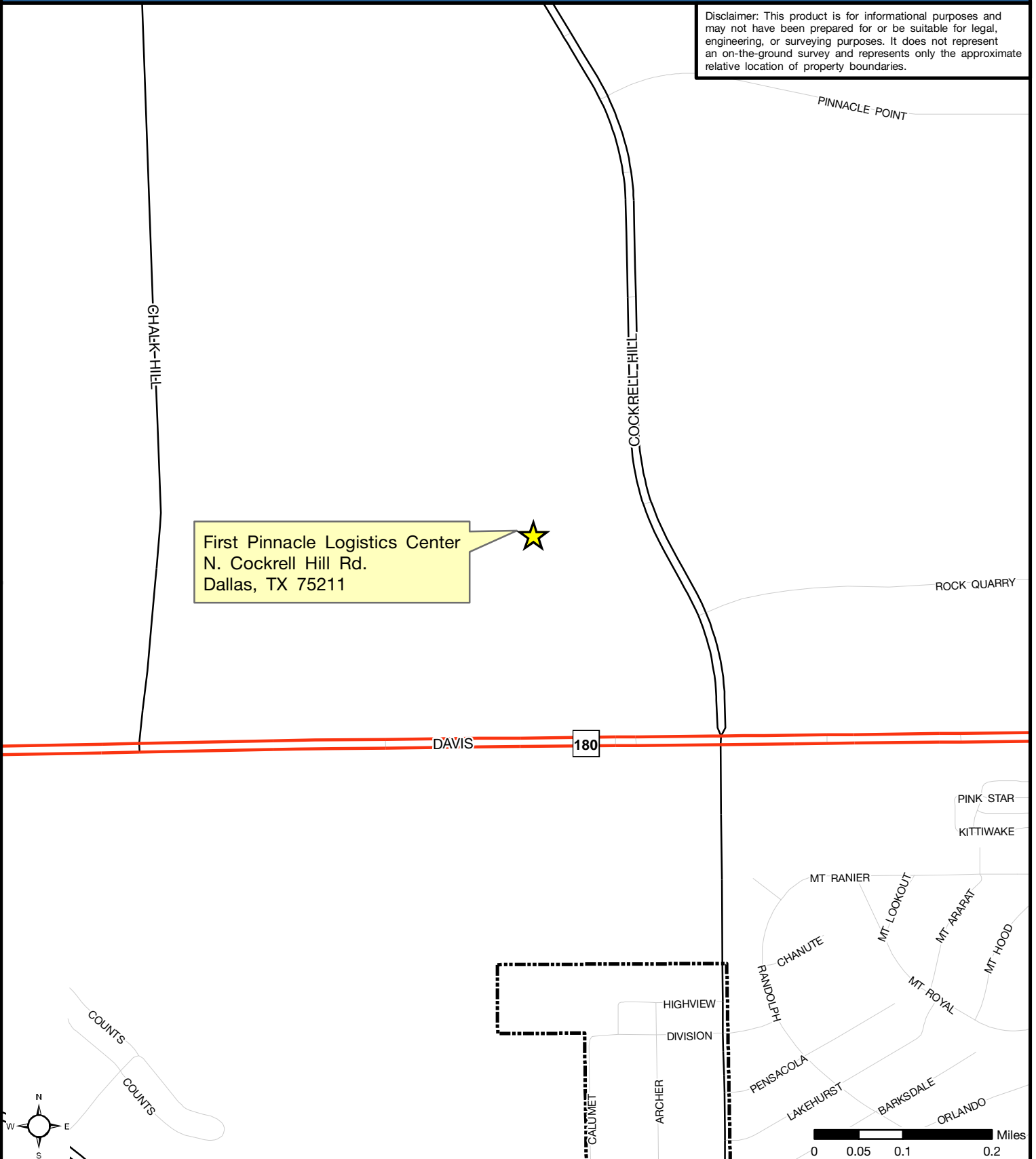


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J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Asst. to the City Manager – Mayor and Council

First Pinnacle Logistics Center

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



First Pinnacle Logistics Center
 N. Cockrell Hill Rd.
 Dallas, TX 75211

DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 214.670.1685
 dallas-ecodev.org

Legend

- City of Dallas
- Highway
- Arterial
- Local Road

Source: City of Dallas, 2013