

Memorandum

RECEIVED

2013 NOV 27 AM 9:00



CITY OF DALLAS

DATE November 29, 2013

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, December 2, 2013, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of November 7, 2013 Minutes of the Economic Development Committee
2. Farmers Market District Redevelopment
Plan: Creating a Fresh Food Focused
Urban Neighborhood
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Best Practices in Economic Development
LaToya Jackson, Asst. Director
Strategic Customer Services
(Estimated time 20 minutes)
4. Upcoming Agenda Items
 - Vogel Alcove Expansion: New Market Tax Credit
 - Consultant Selection for Public Awareness and Marketing Assistance to Complement GrowSouth
 - 711 Elm Street Project – City Center TIF District (Lamar Corridor/West End Sub-district)
 - Aloft Hotel Development Agreement Amendment – Downtown Connection TIF District
 - LTV Tower (1600 Pacific Ave.) Redevelopment Project Deadline Extension – Downtown Connection TIF District

Tennell Atkins, Chair
Economic Development Committee

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

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, CFO, OFS
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 November 4, 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: November 4 2013 **Meeting Start time:** 9:00 AM

Committee Members Present:

Tennell Atkins
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
J. Hammond Perot, Assistant Director, Office
of Economic Development

Other Council Members Present:

Carolyn R. Davis

Other Presenters:

1. Approval of October 7 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. Kleinman

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

2. Public Private/Partnership Program

Presenter(s): J. Hammond Perot, Assistant Director, Office of Economic Development

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

Motion made by:

Motion seconded by:

Item passed unanimously: _____

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

3. Upcoming Agenda Items

- Special Warranty Deed and Designation/Move instrument for the North Parking Garage-Sports Arena TIF District
- Authorize a Chapter 380 Economic Development Grant Agreement pursuant to the Public/Private Partnership Program with Lakewest ALF Realty, LLC

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

Motion made by: Mr. Griggs

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):**

Meeting Adjourned: 10:00 AM

Approved By: _____

Memorandum



DATE November 29, 2013

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

SUBJECT **Farmers Market District Redevelopment Plan: Creating a Fresh Food Focused Urban Neighborhood**

On Monday, December 2, 2013 the Economic Development Committee will be briefed on the Farmers Market District Redevelopment Plan: Creating a Fresh Food Focused Urban Neighborhood.

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, 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

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Mgr.
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

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

Economic Development Committee
December 2, 2013

Purpose

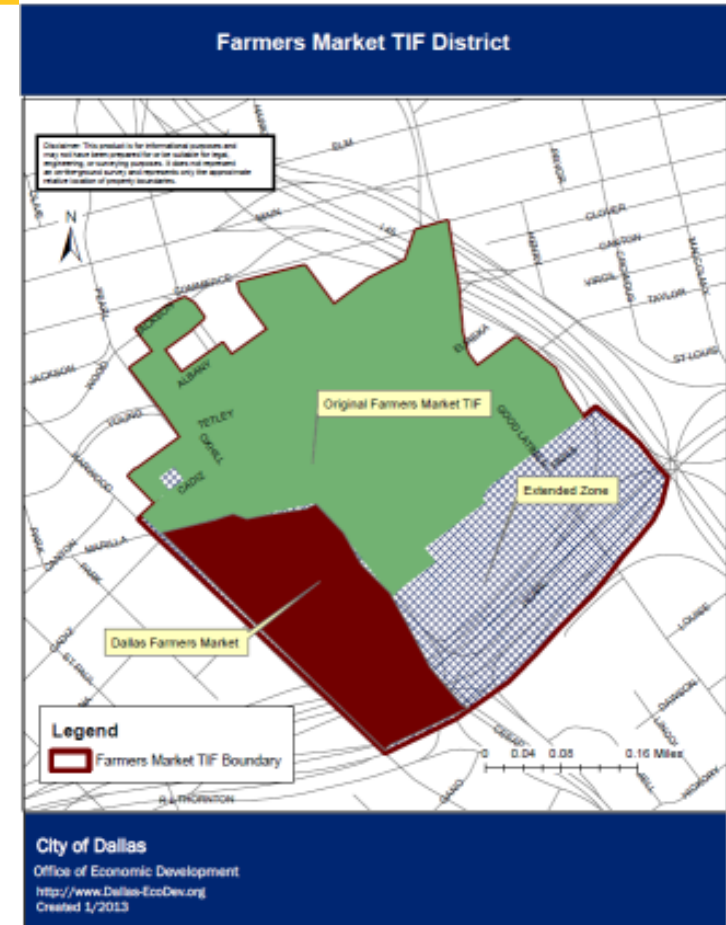
- Review current status of the Dallas Farmers Redevelopment Master Agreement and various implementation steps completed so far; and
- Economic Development Committee recommendation for approval of various funding requests by City Council on December 11, 2013

Background & Prior Council Actions

February 27, 2013 –

Council authorized a Master Agreement related to the redevelopment of the Dallas Farmers Market. Specific components of this agreement include:

- Amend Farmers Market TIF District Plan to increase boundaries and extend term;
- Authorize sale/lease of Dallas Farmers Market land to DFM Land, Ltd. or its affiliates;
- Set stage for 6 future TIF Development Agreements related to components of redevelopment project; and
- Utilize other public funding sources to assist with project – GO Bond funds (\$6.2M); Land sale proceeds (\$900K); PPP grant (\$670K).

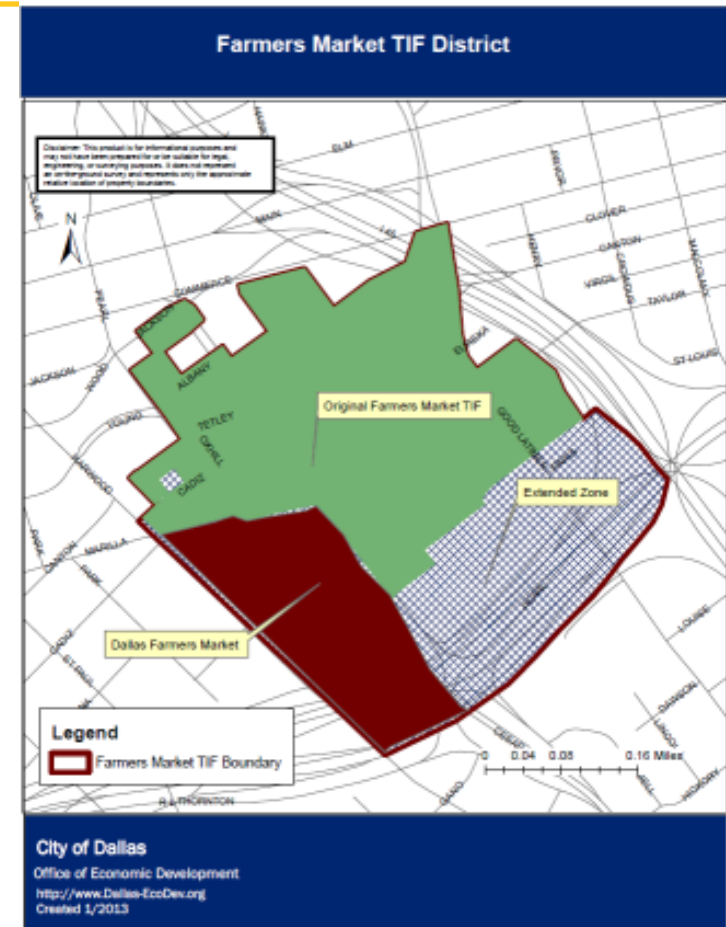


Background & Prior Council Actions

March 27, 2013 –

Council amended the Farmers Market TIF District Plan to:

- Increase the physical area to include the Dallas Farmers Market site;
- Extend the term of the Farmers Market TIF District by 15 years (through the end of 2028);
- Increase the Farmers Market TIF District budget to approximately \$34M (in total collections);
- Decrease the City's participation rate in the TIF District from 100% to 90%; and
- Allow the direct sale of land to implement the plan.



Background & Prior Council Actions

- **March 27, 2013** – Council authorized the long term lease of Shed 1 and sale of remaining sites to DFM Land, Ltd., a development group led by Brian Bergersen of Spectrum Properties
- **May 22, 2013** – Council authorized an ordinance that repealed Chapter 29
 - Eliminated Operating Rules for City-managed Farmers Market since DFM no longer public
- **May 22, 2013** - and amended Chapters 29A and 42A:
 - **Chapter 29A changes** define DFM as Neighborhood Market for operational purposes
 - **Chapter 42A changes** allow streamlined event permitting for Dallas Farmers Market area



Background & Prior Council Actions

- **June 12, 2013** – Council approved minor amendments to lease and sale agreements
- **June 26, 2013** – Council approved TIF development agreement related to design expenditures related to Dallas Farmers Market redevelopment



Background & Developer Initiatives

- **July - October 2013 – Developer:**
 - Assumed day-to-day management of DFM
 - Finalized redevelopment plans for site
 - Released architects to design project
 - Released retail brokers to recruit tenants
 - Submitted zoning request for site
- **October 24, 2013** – CPC approved and recommended zoning amendment request
- **October 25, 2013** – Peer Review Committee reviewed and approved designs of the project
- **November 18, 2013** – Developer funds last component of land sale
- **November 21, 2013** – Farmers Market TIF Board recommends funding for Project



Farmers Market Redevelopment - Phase II

Five distinct initiatives each require separate TIF reimbursement agreements

- **Shed 1** – Local Farmers Market;
- **Shed 2** – Restaurants & Specialty Food Vendors;
- **Sheds 3-4** – Ground floor retail w/ apartments and structured parking;
- **Taylor Buildings** – Ground floor retail with apartments above; and
- **Community garden and futsal fields**



Shed 1 Renovation

Shed 1:

- **Existing Conditions –**
 - Open shed
 - Leased to local farmers/produce dealers
 - Drive lane and angle parking
 - Unoccupied stalls – non-growing season
- **Proposed Improvements –**
 - Complete renovation
 - Pedestrian only
 - More than doubles stall space
 - For local farmers/farm merchants
 - Band shell for special events
 - Drive-through merchandise pick-up area



Shed 1 Renovation (continued)

Shed 1 Improvements:

- Create 20,000 square feet of local farmers stall space (60 stalls/bays)
- Renovation plan better meet farmers needs
- Vehicular access removed
- Pedestrian walkways/display areas created
- Truck staging area limited to screened area along Farmers Way
- Farmers Way and Pearl Street streetscape



Shed 1 Renovation (continued)



Shed 1 Renovation (continued)



VIEW FROM NORTHWEST

Shed 1 - Farmer's Market
Dallas, Texas



Good Fulton & Farrell Architects

2000 Harvest Street Dallas, TX 75201
214.252.2222
www.gff.com

Job #: 13142.00 File Name: View Looking Southwest Date: 13/14/2013 Drawn by: TJB

Shed 1 Renovation Project Budget

Description		Amount
Total Project Cost		\$989,884
TIF Reimbursement Recommendation	\$300,000	
Previous Allocated TIF Funds (Design)	\$0	
Total TIF Funding for Shed 1		\$300,000
TIF eligible expenditures - Painting, plumbing, concrete, refurbishment, landscape and streetscape improvements related to publicly owned building		

Shed 2 Redevelopment

Shed 2:

- **Existing Conditions –**
 - Enclosed shed
 - Leased to vendors/restaurants
- **Proposed Improvements –**
 - Renovate and upgrade 28K square feet of commercial space
 - Showcase variety of restaurants and specialty food vendors
 - Beer garden at southeast corner of Harwood and Marilla Streets



Shed 2 Redevelopment (continued)



Shed 2 Redevelopment (continued)



Shed 2 Redevelopment (continued)



FARMER'S MARKET - SHED 2 RESTAURANT CONCEPT

Shed 2 Redevelopment Project Budget

Description		Amount
Total Project Cost		\$3,142,842
TIF Reimbursement Recommendation	\$355,477	
Previous Allocated TIF Funds (Design)	\$0	
Total TIF Grant for Shed 2		\$355,477
TIF eligible expenditures - Façade improvements, retail space improvements, architectural costs and contingency related to privately owned building		

Sheds 3-4 Mixed-Use Redevelopment

Shed 3-4:

- **Existing Conditions –**
 - 2 open sheds
 - Leased to local farmers/produce dealers
 - Drive lane and angle parking
 - Unoccupied stalls – non-growing season
- **Proposed Improvements –**
 - Demolish existing sheds
 - 200,000 square feet of residential space (approx. 240 apartments)
 - Ground floor retail space
 - 544 parking spaces (300 public; 244 private)



Existing Shed 3 picture

Sheds 3-4 Mixed-Use Redevelopment (continued)



Sheds 3-4 Mixed-Use Redevelopment (continued)



Aerial view from northeast

Sheds 3-4 Mixed-Use Redevelopment (continued)



Northeast corner (Taylor and Pearl)



Sheds 3-4 Mixed-Use Redevelopment (continued)



Northwest corner (Harwood and Pearl)



Good Fulton & Farrell Architects

2000 Rosswood Drive
Dallas, TX 75201
Phone: 214.742.1234
www.gff.com

Sheds 3-4 Mixed-Use Redevelopment (continued)



Retail frontage along Taylor Street



Good Fulton & Farrell Architects

2000 Ross Street
Dallas, TX 75201
Phone: 214.742.1234
www.gff.com

Sheds 3-4 Mixed-Use Redevelopment Project Budget

Description		Amount
Total Project Cost		\$38,668,084
TIF Reimbursement Recommendation	\$8,536,486	
Previous Allocated TIF Funds (Design)	\$1,008,200	
Total TIF Funding for Sheds 3-4		\$9,544,686
Farmers Market TIF Grant: to offset cost of higher density development		

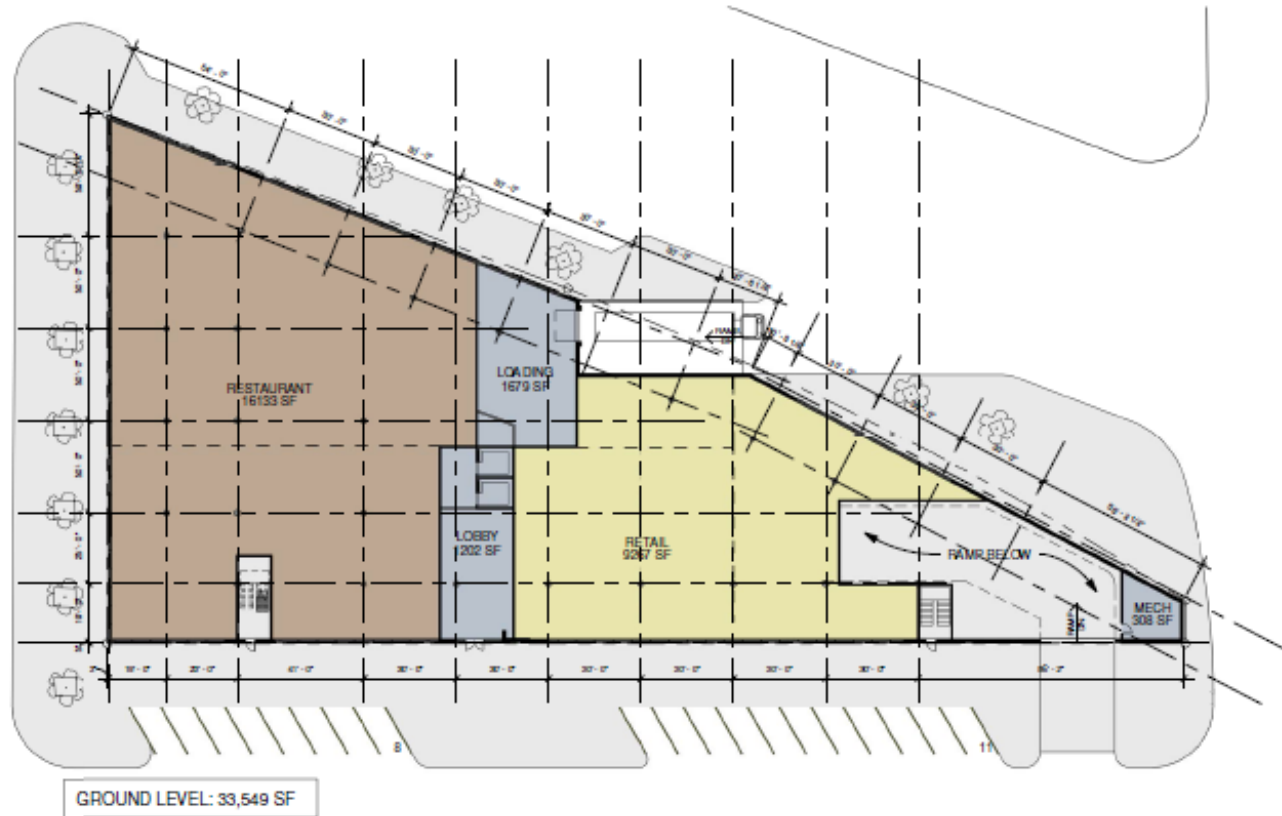
Taylor Street Redevelopment

Taylor Street Redevelopment:

- **Existing Conditions –**
 - 3 Warehouse Buildings – not part of DFM
 - Located at 2101 & 2111 Taylor Street
 - Purchased by DFM Land, Ltd. and included in redevelopment plan
- **Proposed Improvements –**
 - Demolish existing buildings
 - 60 residential units
 - 25K square feet of retail space
 - 60 private parking spaces



Taylor Street Redevelopment (continued)



Taylor Street Redevelopment (continued)



Corner of Taylor Street and Pearl Street

Taylor Street Redevelopment (continued)



Downtown view



Taylor Street Redevelopment (continued)



NORTH ELEVATION



SOUTH ELEVATION

Elevations

Taylor Street Redevelopment Project Budget

Description		Amount
Total Project Cost		\$19,251,809
TIF Reimbursement Recommendation	\$3,553,480	
Previous Allocated TIF Funds (Design)	\$446,520	
Total TIF Funding for Taylor Street		\$4,000,000
Farmers Market TIF Grant: to offset cost of higher density development		

Community Garden/Futsal Fields

Community Garden/Futsal Fields:

- **Existing Conditions –**
 - 1.8 acres of surface parking
 - Facility separated from DFM by tunnel
 - Connected to Cesar Chavez Blvd by separate tunnel
 - Parking inconvenient and rarely used
- **Proposed Improvements –**
 - Community Garden
 - Covered futsal fields (3)*
 - Fitness track
 - Amenities – bleachers, lighting, restrooms, storage

*Futsal is a game derived from soccer, somewhat similar to indoor soccer without the boards surrounding the field. It is played with a smaller ball with less bounce than a regular ball. The surface, ball and rules emphasize improvisation, ball control and technique as well as passing in small spaces. The futsal fields will be covered so play can occur rain or shine.



Community Garden/Futsal Fields (continued)



CONCEPTUAL SITE PLAN - FUTSAL COMPLEX
Farmer Market Redevelopment
Dallas, Texas

 GFF Planning
2000 Rosswood Street
Dallas, Texas 75203

PROJECT NO. 14-001
DATE: 01/14/15

Community Garden/Futsal Fields Project Budget

Description		Amount
Total Project Cost		\$2,421,626
TIF Reimbursement Recommendation	\$589,888	
Previous Allocated TIF Funds (Design)	\$210,112	
Total TIF Funding for Futsal Project		\$800,000
TIF Grant for open space improvements community garden and field area		

Auxiliary Building (Administration Building)

Auxiliary Building (Farmers Market Administration Building):

- **Existing Conditions –**
 - 15,250 square feet of office, meeting and classroom space
- **Proposed Improvements –**
 - Culinary Learning Center
 - Production Studio
 - Office space

***TIF funding is not requested for the upgrade**



Farmers Market Redevelopment - Phase II

Total Funding Request

TIF Budget Phase I and Phase II

Description	Total Cost	Design \$*	TIF Request	Total TIF \$
Shed 1	\$989,884	\$0	\$300,000	\$300,000
Shed 2	\$3,142,842	\$0	\$355,477	\$355,477
Sheds 3-4	\$38,668,084	\$1,008,200	\$8,536,486	\$9,544,686
Taylor Buildings	\$19,251,809	\$446,520	\$3,553,480	\$4,000,000
Futsal	\$2,421,626	\$210,112	\$589,888	\$800,000
Auxiliary Building	TBD	\$0	\$0	\$0
Streetscape/Public Parking*	TBD	\$0	\$0	\$0
Total	TBD	\$1,664,832	\$13,335,331	\$15,000,163

*funded under previous TIF Development Agreement

**funded through GO Bond Funds/Land Sale Proceeds

*Design work and costing of streetscape improvements is expected to be completed in December 2013.

Farmers Market Redevelopment - Phase II Phasing Plan

Project Phasing Plan

Description	Planned Start Date	Planned Completion Date
Shed 1	8/1/14	6/30/15
Shed 2	10/1/14	12/31/15
Sheds 3-4	12/31/14	12/31/16
Taylor Buildings	3/31/15	12/31/16
Futsal	3/31/15	3/31/16
Auxiliary Building	TBD	TBD
Streetscape/Public Parking*	2/1/14	12/31/14

*Design work and costing of streetscape improvements is expected to be completed in December 2013.

Previous Actions

- **November 21, 2013** - Farmers Market TIF Board of Directors reviewed and approved the TIF funding recommendation for the Farmers Market Redevelopment Phase II : (A) shed 1 improvements; (B) shed 2 improvements; (C) mixed-use development; (D) 2101 and 2111 Taylor Street development; and (E) a community garden and futsal fields by DFM Developer, Ltd., /or its affiliate, in the Farmers Market TIF District in an total amount not to exceed \$13,335,331
- **November 22, 2013** - Peer Review Committee reviewed and approved the Conceptual Site Plan and Renderings for the Farmers Market Redevelopment

Recommended Actions

- **December 11, 2013** – Approve five separate TIF Development Agreements with DFM Developer, Ltd. (and/or affiliates) related to the redevelopment of the Dallas Farmers Market (in accordance with the City Council adopted Master Agreement) and authorize \$13,335,331 in future revenues from the Farmers Market TIF District to these agreements:
 - **Shed 1** – Shed for Farmers/Farm Vendors – TIF request: \$300,000; Agreement with DF Market 1, LLC
 - **Shed 2** – Enclosed shed featuring restaurants/specialty food vendors – TIF request: \$355,477; Agreement with DF Market 2, LLC
 - **Shed 3-4** – Demolition of existing structures and construction of new facility with approx. 240 apartments, 15,000 square feet of retail space and 544 parking spaces – TIF request: \$8,536.486; Agreement with DFM Developer, Ltd.
 - **Taylor Street** – Demolition of existing structures and construction of new facility with approx. 60 residential units, 25,000 square feet of retail space and 60 private parking spaces – TIF request: \$3,553,480; Agreement with Taylor Street 2111, LP
 - **Community Garden/Futsal** – Redevelopment of surface parking lot – TIF request: \$589,888; Agreement with FM Futsal, Ltd.,

- Appendices

Appendix A: Farmers Market TIF Increment Chart

Year	Property Value Estimate	Anticipated Increment Revenue	Tax Increment Revenue City	Tax Increment Revenue Dallas County
1998	\$27,706,851			
1999	\$32,251,740	\$30,337	\$30,337	\$0
2000	\$48,849,886	\$141,130	\$141,130	\$0
2001	\$68,642,830	\$273,248	\$273,248	\$0
		\$444,715		
2002	\$69,918,509	\$295,397	\$295,397	\$0
2003	\$68,358,681	\$277,250	\$277,250	\$0
2004	\$66,805,228	\$278,362	\$278,362	\$0
2005	\$83,492,312	\$413,761	\$413,761	\$0
2006	\$93,337,865	\$467,257	\$467,257	\$0
2007	\$96,486,980	\$507,318	\$507,318	\$0
2008	\$111,085,798	\$591,515	\$591,515	\$0
2009	\$107,740,320	\$598,570	\$598,570	\$0
2010	\$103,812,469	\$606,562	\$606,562	\$0
2011	\$101,531,538	\$588,383	\$588,383	\$0
2012	\$111,686,928	\$669,321	\$669,321	\$0
2013	\$115,037,536	\$694,491	\$585,377	\$109,114
2014	\$124,488,662	\$774,921	\$653,170	\$121,751
2015	\$158,223,322	\$1,062,005	\$895,149	\$166,856
2016	\$162,970,021	\$1,102,399	\$929,197	\$173,203
2017	\$217,859,122	\$1,569,508	\$1,322,916	\$246,592
2018	\$232,394,896	\$1,693,208	\$1,427,181	\$266,027
2019	\$239,366,743	\$1,752,539	\$1,477,190	\$275,349
2020	\$266,547,745	\$1,983,851	\$1,672,160	\$311,691
2021	\$270,545,961	\$2,017,876	\$1,700,839	\$317,037
2022	\$274,604,150	\$2,052,411	\$1,729,948	\$322,463
2023	\$278,723,213	\$2,087,465	\$1,759,494	\$327,970
2024	\$282,904,061	\$2,123,044	\$1,789,483	\$333,560
2025	\$287,147,622	\$2,159,157	\$1,819,923	\$339,234
2026	\$291,454,836	\$2,195,811	\$1,850,818	\$344,993
2027	\$295,826,659	\$2,233,016	\$1,882,177	\$350,839
2028	\$300,264,059	\$2,270,778	\$1,914,007	\$356,772
		\$33,955,605	\$29,147,439	\$4,363,452
		\$28,217,195	\$23,409,028	\$4,363,452

Appendix B: Farmers Market TIF District Budget

Budget Item	Budget (current)	Total Spent and Committed	Remaining as of 12/1/13
Phase I-A	\$8,125,410	\$8,125,410	\$0
Deep Ellum Connector	\$672,970	\$672,970	\$0
Phase I-B	\$742,031	\$742,031	\$0
Phase II**	\$3,252,225	\$3,252,225	\$0
Harlan Building	\$701,142	\$701,142	\$0
Farmers Market Area Improvements	\$18,761,827	\$0	\$18,761,827
TIF Administration	\$1,700,000	\$490,695	\$1,209,305
Total	\$33,955,605	\$13,984,473	\$19,971,132

Appendix C: Est. Sources and Uses of Funds

Dallas Farmers Market Redevelopment

	Total	Equity	Debt	TIF (reimbursement)	GO Bonds	Other PPI Partnership	Surplus Sale Proceeds
Shed 1	\$989,884	\$623,627	\$366,257	\$365,369	\$0	\$0	\$0
Shed 2	\$3,142,842	\$1,508,564	\$1,634,278	\$519,232	\$0	\$0	\$0
Shed 3-4	\$38,668,084	\$14,693,872	\$23,974,212	\$9,220,167	\$3,600,000	\$670,000	\$930,000
Administration	\$2,097,400	\$1,097,400	\$1,000,000	\$566,298	\$0	\$0	\$0
Taylor	\$19,251,809	\$10,203,459	\$9,048,350	\$3,990,063	\$0	\$0	\$0
Futsal/Garden	\$2,421,626	\$1,452,976	\$968,650	\$339,035	\$0	\$0	\$0
Streetscape	\$2,600,000	\$0	\$0	\$0	\$2,600,000	\$0	\$0
	\$69,171,645	\$29,579,897	\$36,991,748	\$15,000,164	\$6,200,000	\$670,000	\$930,000

Memorandum



CITY OF DALLAS

DATE November 27, 2013

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

SUBJECT **Next Step in Strategic Planning: Best Practices in Economic Development**

On Monday December 2, 2013, the Budget for Outcomes Team for Economic Vibrancy will brief you on best practices in economic development. Their briefing will also cover proposed index cities and draft SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. The briefing material is attached.

Please let me know if you have any questions.

A handwritten signature in blue ink that reads "Jill Jordan".

Jill A. Jordan, P.E.
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Next Step in Strategic Planning: Best Practices in Economic Development

Index Cities and Dallas SWOT

Economic Development Committee
December 2, 2013



Team Roster

- Sue Hounsel (Lead, Office of Economic Development)
- Nikki Dunklin (Intergovernmental Services)
- Robyn Gerard (City Manager's Office)
- Lisa Hamed (Public Works)
- Phillip Keaton (Aviation)
- Clinton Lawrence (Library)
- Hodges Mitchell, II (Office of Environmental Quality)
- Crystal Ross (Park and Recreation)
- Daisy Torres (Office of Financial Services)



Purpose

- An overview of preliminary work from the Budgeting for Outcomes Economic Vibrancy Team in preparation for FY 14-15 strategies including:
 - Community Survey Highlights
 - Index cities
 - City of Dallas – Strengths, Weaknesses, Opportunities, Threats (SWOT)
 - Best practices to build on opportunities and minimize threats.

Community Survey Highlights

- The City's 2013 Community Survey results included several positive indicators:
 - Eighty-two (82%) felt Dallas was an excellent or good place to live, work and do business. This represents an increase from the 2011 survey by place to live (+6%), work (+7%), and do business (+5%).
 - Seventy (70%) rated quality of new development as excellent or good – up +5% from the 2011 survey.
 - Sixty-four (64%) rated Dallas as excellent or good for job opportunities – up +7% from the 2011 survey.

Community Survey Highlights (continued)

- Streets and infrastructure were areas that could be improved based on the survey respondents:
 - Only thirty-nine (39%) rated street lighting as excellent or good.
 - Only thirty-two (32%) rated maintenance of neighborhood streets as excellent or good.

Index Cities

- The Economic Vibrancy (EV) Team reviewed the strategic planning work from various department directors on identifying index cities for Dallas to benchmark on major services impacting economic vibrancy.
- The EV team honed on a list of 5 cities that encompassed most or all of the services under economic vibrancy:
 - San Antonio
 - Houston
 - Atlanta
 - San Diego
 - Seattle

Index Cities (continued)

- **San Antonio**

- Population: 1,382,951
- Fortune 500 companies: 5
- Metro area jobs (2012): 877,900
- Ranked #8 out of 52 largest metros generating the most tech jobs (Forbes citing research from Praxis Strategy Group).
- Non-Stop Domestic Flights: 26
- Non-Stop International Flights: 4

- **Houston**

- Population 2,160,821
- Fortune 500 companies: 24
- Metro area jobs (2012): 2,691,400
- Ranked #3 out of 52 largest metros generating the most tech jobs (Forbes citing research from Praxis Strategy Group)
- Non-Stop Domestic Flights: 122
- Non-Stop International Flights: 69

Index Cities (continued)

- **Atlanta**

- Population: 443,775
- Fortune 500 companies: 10
- Metro area jobs (2012): 2,349,900
- Non-Stop Domestic Flights: 150
- Non-Stop International Flights: 75

- **San Diego**

- Population 1,338,348
- Fortune 500 companies: 2
- Metro area jobs (2012): 1,258,800
- Non-Stop Domestic Flights: 42
- Non-Stop International Flights: 7

- **Seattle**

- Population 634,535
- Fortune 500 companies: 4
- Metro area jobs (2012): 1,711,500
- Non-Stop Domestic Flights: 29
- Non-Stop International Flights: 20

SWOT Analysis

S

- Location, land availability
- Age of workforce
- Low cost living
- Transit infrastructure
- Arts & Culture

W

- Sprawl
- Public education

O

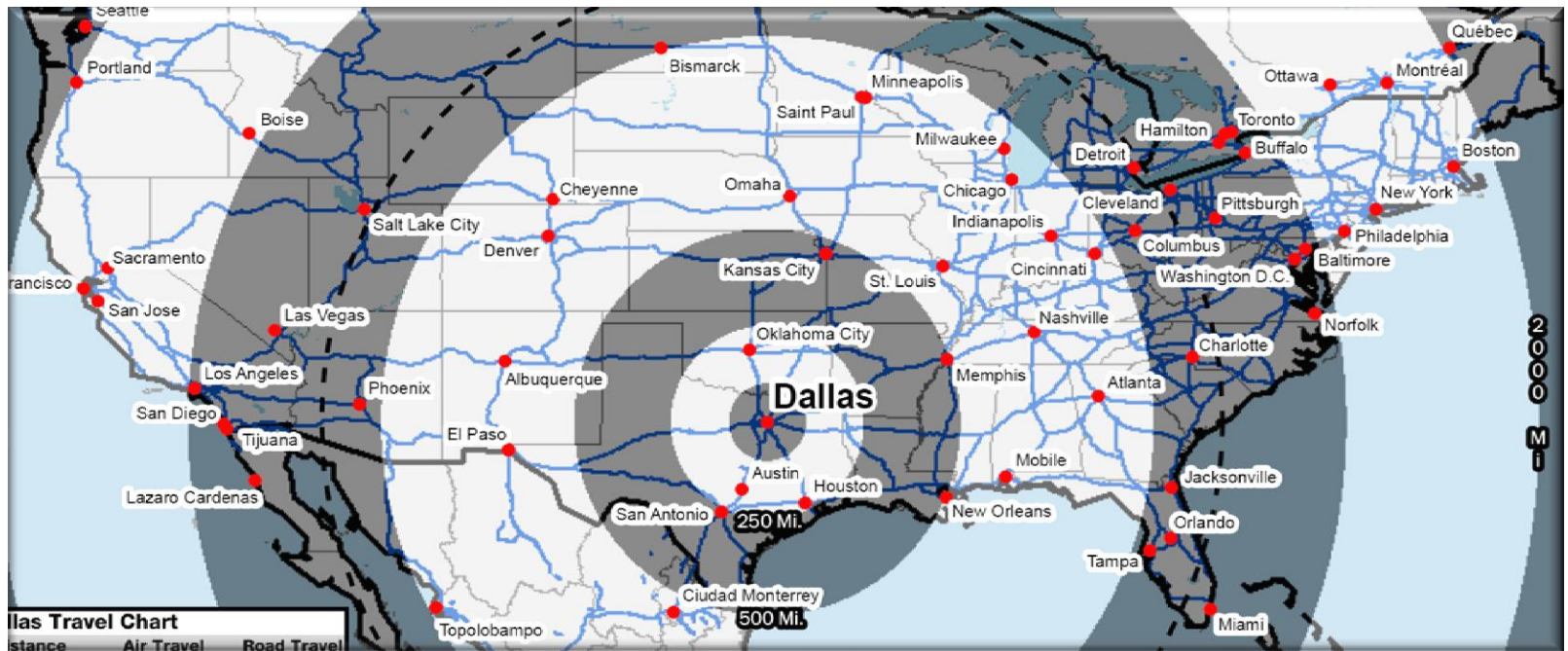
- Promoting diverse neighborhoods
- Transit-oriented development
- Southern Dallas land area

T

- Aging/inadequate infrastructure
- Funding

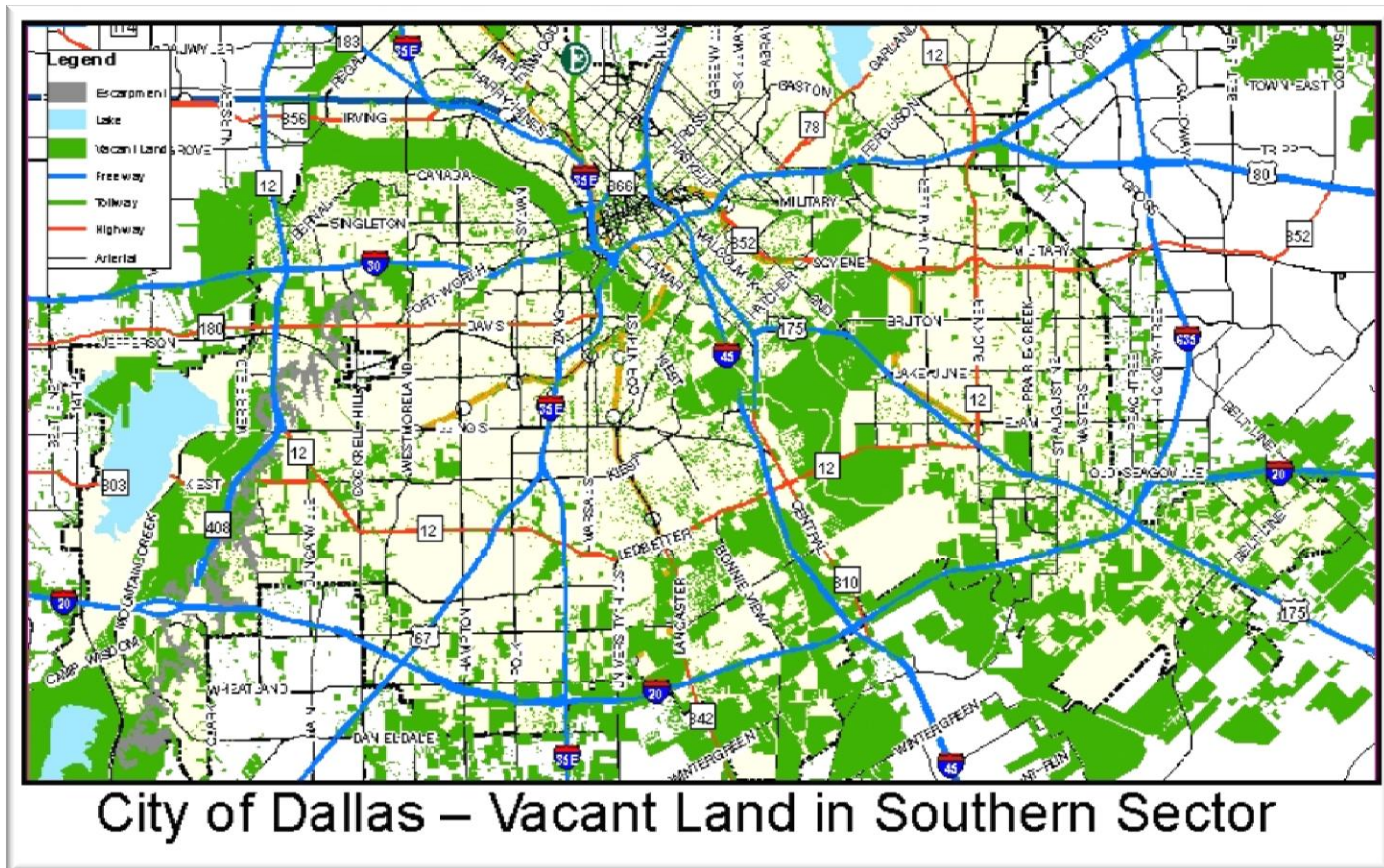
Dallas - Strengths

- Dallas is the most centrally located major business center in North America
- DFW International Airport & Dallas Love Field combine for 7,067 weekly non-stop flights to 188 destinations on five continents.



Dallas – Strengths (continued)

- Land Availability – Citywide almost 63,000 acres of land is vacant and of that 65% is in southern Dallas.



Note – includes floodplain

Dallas – Strengths (continued)

Age of workforce –

- Almost 600,000 residents make up the City of Dallas' workforce. Over 30% have a college degree or higher and over 80% have at least a high school education.

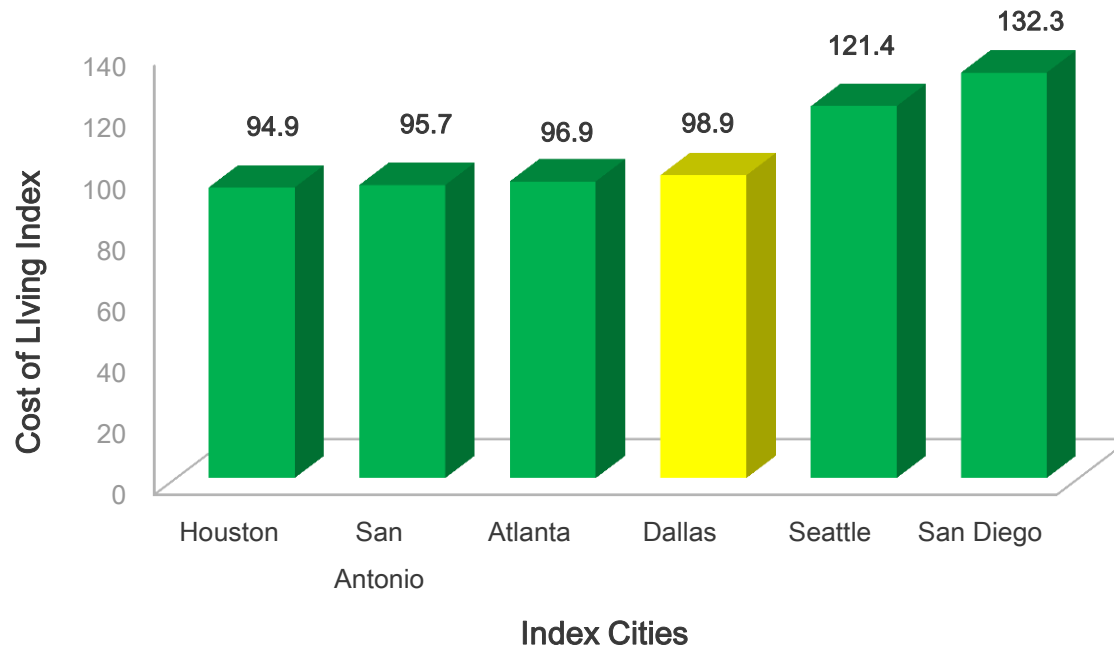
Source: 2011 American Community Survey 1-Year Estimates & U.S. Census Bureau

- Dallas has also been ranked one of the 100 “smartest” metro area's in the U.S. The area ranked #72 based on resident's educational attainment.

Source: America's Top Rated Cities: A Statistical Handbook-2012, 9th Edition

Dallas-Strengths (continued)

- Forbes ranks Dallas as the 17th most affordable city in America.



Source: census.gov, C2ER, Arlington, VA, ACCRA Cost of Living Index, Annual Average 2010

Dallas-Strengths (continued)

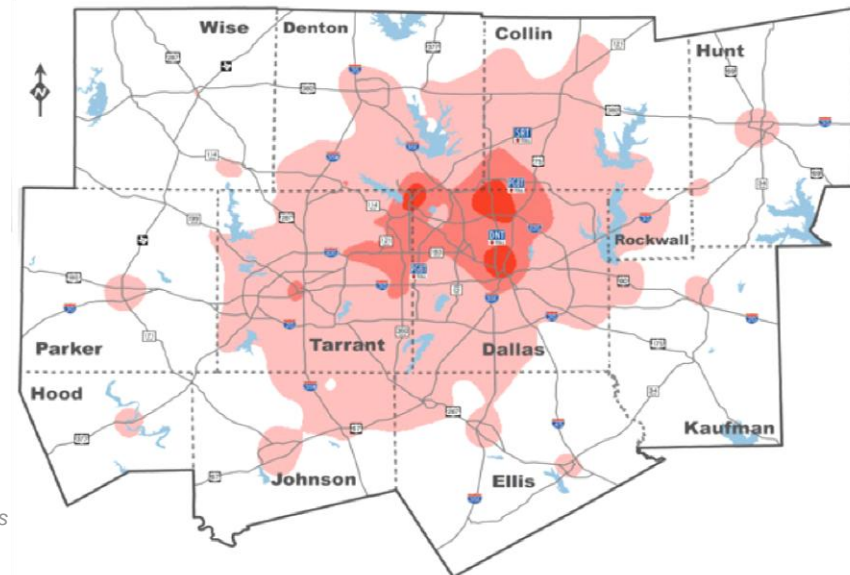
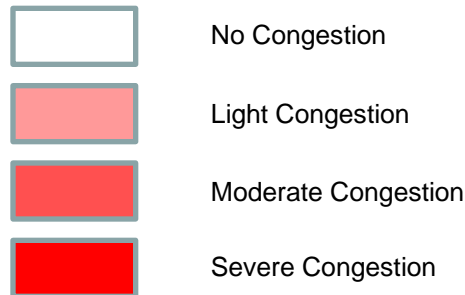
- DART is the largest light rail operator in the United States, with 85 miles (136.8 km) of track
- According to NCTCOG transit statistics, DART's light rail system had a daily ridership of 109,511 average trips per weekday in October 2012 which is an increase of more than 81% since October 2010.
- Dallas has recently completed a \$354M expansion of the arts district. This includes the Winspear Opera House, Wyly Theater, Performance Park, and Annette Strauss Artist Square. The arts are a significant economic generator for the City.

Dallas – Weaknesses

Urban Sprawl

- Longer travel times and more traffic congestion
 - 2013 Vehicle Miles of Travel – 181,516,746
 - 2013 Vehicle Hours Spent in Delay (Daily) – 1,165,512
- According to the NCTCOG, congestion costs the Dallas-Fort Worth metro-plex \$4.7 Billion in 2013. It is projected to increase to \$10.1 Billion by 2035

2013 Congestion Index



Source: North Central Texas Council of Governments

Dallas – Weaknesses (continued)

Urban Sprawl

- DFW has a population of approximately 6.5 million people
- **More than half** live outside of the city limits of both Dallas and Fort Worth
 - Plano, McKinney, Frisco and Denton are among the fastest growing cities according to the U.S. Census Bureau
- Providing quality, affordable housing for the middle class is a related issue to be addressed. Staff has begun examining neighborhoods across this city in this regard.
- Public education is a factor related to urban sprawl:
 - In the City's 2013 Community Survey only thirty-three (33%) rated public schools in Dallas as being excellent or good while thirty-two (32%) rated schools as fair and thirty-five (35%) rated schools as poor.

Dallas – Weaknesses (continued)

Public Education

- 60% of home buyers are swayed by school district choices
 - 23.6% of buyers would pay up to 5% more than originally budget
 - 9% of buyers would pay up to 20% more than budgeted

Source: Survey conducted by Realtor.com

- Dallas Independent School District's received a 2011 accountability rating from the Texas Education Agency of Academically Acceptable compared to

- Neighboring Cities
 - Frisco - Exemplary
 - Plano - Recognized
 - Mesquite – Recognized
 - Cedar Hill – Recognized
 - Desoto - Academically Acceptable
 - Duncanville - Academically Acceptable
- Index Cities in Texas
 - San Antonio – Academically Acceptable
 - Houston – Academically Acceptable



Dallas – Weaknesses/Best Practices

Best Practice Example – San Antonio’s “Brainpower Initiative”

- The City of San Antonio made improving local education and workforce development systems a key component on how to build a strong economic future
- In 2011, Mayor Castro and leaders from business and education came together to launch a “Brainpower Initiative.”
 - By increasing access to early childhood education, the city plans to enhance local educational achievement and improve college attainment later in life—providing the skilled workforce that regional industry needs to thrive

Source: Enterprising Cities: A Force for American Prosperity

Dallas – Weaknesses/Best Practices (continued)

Best Practice Example – Harlem Children’s Zone

- The community based organization Harlem Children’s Zone has a successful business model that is being replicated by many cities across the country.
- The Harlem Children’s Zone is a unique, holistic approach to rebuilding a community so that its children can stay on track through college and go on to the job market.
- The two fundamental principles of The Zone Project are to help kids in a sustained way, starting as early in their lives as possible, and to create a critical mass of adults around them who understand what it takes to help children succeed.

Source: www.hcz.org

Dallas – Weaknesses/Best Practices (continued)

Best Practice Example – State of Oklahoma

- In 1998, Oklahoma became the first state to have universal, publicly funded pre-kindergarten.
- The state legislature changed its school funding formula to include pre-kindergarten.
- As Alex Blumberg, This American Life producer, reports schools immediately noticed an improvement in children's school readiness along with other evidence of the benefits of high-quality early education.

Dallas - Opportunities

- Promoting diverse neighborhoods –
 - In the City's 2013 Community Survey residents rated Dallas acceptance of people with diverse background as fifty-six (56%) excellent or good, thirty-five (35%) fair, and nine (9%) poor.
 - Young workforce is a strength that leads to opportunities to attract more businesses and residential growth to the city.
 - Promoting diverse neighborhoods across income and geographic spectrums supports several Council objectives.

Opportunities/Best Practices (continued)

Best Practice Example – Atlanta – Old Fourth Ward

- Historical neighborhood with the birthplace of Dr. Martin Luther King and Sweet Auburn District – Redevelopment efforts have lead to – retail development, new lofts and condos
- Old Fourth Ward Park and the Beltline Project meet to provide new greenspace oasis. Beltline project to improve park and transit connectivity.



Dallas – Opportunities (continued)

- Transit-Oriented Development – to date in the City of Dallas nearly \$6 billion in TOD development has been completed or is under construction. Examples include:



Cityplace area - \$660 million new development completed or under construction with McKinney Avenue Trolley and DART light rail service



NORTHWEST CORNER VIEW
LANCASTER URBAN VILLAGE
DALLAS, TEXAS

Lancaster Urban Village – a catalyst mixed-use development across from the VA Medical Center & DART station

Dallas – Opportunities/Best Practices (continued)

- Creating an “Entrepreneur Village” is a business and community development tool currently being explored in Dallas and supports other areas of opportunity.
- The goal of this initiative would be to dramatically improve wealth creation, employment and innovation through a place-based microbusiness and entrepreneurship program.
- Similar programs in other cities are being examined including Chicago, Washington DC, Nashville, and Orlando

Dallas – Opportunities/Best Practices (continued)

Village at maturity - Within fifteen years, the Village will be largely developed and a fully functioning neighborhood with residential, commercial and public facilities that continue to nurture another generation of entrepreneurs.



Village overlay: High speed data, financial incentives, urban design standards

Opportunities/Best Practices (continued)

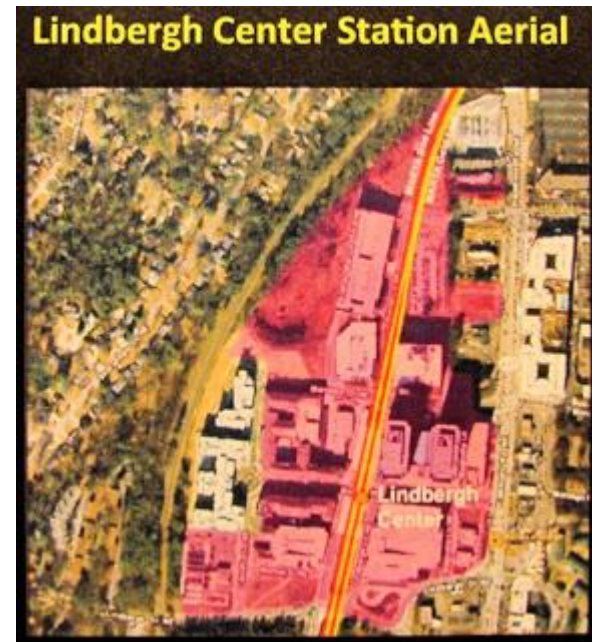
Best practice – TOD

- **Atlanta – Lindbergh MARTA Station**

- Outstanding example of public-private collaboration

- **San Diego**

- First in the country to adopt TOD Design Guidelines and leader in CA
- Successfully utilizes community services organizations



Dallas - Threats

- Aging or inadequate infrastructure
- Funding (primarily related to addressing infrastructure needs).
- As local and state government agencies begin to recover from the recent recession, many are looking to private companies to aid in the aging infrastructure and to fill the gap where funding has fallen short.

Dallas – Threats/Best Practices

Best Practices – Seattle

- *Vibrant neighborhoods/connectivity* - Seattle is currently exploring public private partnerships (i.e. Friends of the Central Waterfront) for a major restoration on its waterfront in an attempt to create more east-west connections to the water.
- *Infrastructure* - In December 2012, Seattle signed a memorandum of understanding with Gigabit Squared “to use parts of the city-owned fiber-optic network to provide ‘ultra-fast’ broadband services starting in 2013.”
- Seattle is looking to recoup the cost of the putting in place the original infrastructure. Gigabit will compete with private sector companies.

Dallas – Threats/Best Practices (continued)

Best Practice – Seattle

- Green Stormwater Infrastructure (GSI) – aims to address stormwater needs in a more sustainable, aesthetically pleasing and cost effective approach.

Best Practice – San Diego

- Just announced a five-year plan will be developed to address infrastructure backlog.

Dallas – Threats/Best Practices (continued)

Best Practices – Houston & Fort Worth

- Infrastructure/bond program management & tracking systems.
- Dallas could benefit from a software upgrade to assist in managing capital projects.

Conclusion

- If the City of Dallas can build on its strengths, further areas of opportunity, and strategically address physical and social infrastructure needs we can advance as “a high quality, urban alternative” to our sprawling competitors.

Memorandum



DATE November 27, 2013

TO Tennell Atkins (Chair), Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry Allen, Lee Kleinman

SUBJECT **Vogel Alcove Expansion: New Market Tax Credit**

At the December 11 Council meeting, you will consider authorizing a New Markets Tax Credit (NMTC) transaction between the Dallas Development Fund (DDF), J.P. Morgan Chase (Chase), and Vogel Alcove (Developer) for the renovation of property located at 1738 Gano St, as well as additional operating expenses to support the expansion by Vogel Alcove (Project).

The City of Dallas authorized the creation of the Dallas Development Fund (DDF), a non-profit Community Development Entity (CDE), on February 11, 2009, to apply for and eventually operate a New Markets Tax Credit (NMTC) allocation from the U.S. Department of Treasury's Community Development Financial Institutions Fund in its 2009 funding cycle. DDF was awarded a \$55 million allocation under the 2009 cycle, and awarded that allocation to four projects from 2011-2013. DDF applied for additional allocation in 2012, and was awarded \$30 million under the 2012 funding cycle.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by the CDE for projects and investments in low-income communities, as defined by the NMTC program. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a 7-year credit allowance period.

On November 25, 2013, DDF considered and unanimously approved a NMTC transaction between DDF, Chase, and the Developer. This NMTC project will use \$6 million of DDF's \$30 million NMTC allocation; Chase will invest up to \$6.0 million in NMTC allocation from DDF, which will in turn generate approximately \$1.922 in NMTC equity for the benefit of the Project. The total project cost is approximately \$6 million.

Vogel Alcove serves Dallas' homeless population by providing free childcare to homeless children, which allows their parents to focus on rebuilding their lives.

This NMTC transaction will allow Vogel Alcove to relocate its facilities to the former City Park Elementary school. The new facility will increase Vogel Alcove's capacity, reduce the number of waitlisted children, and allow expanded services to be offered, especially related to family support. Vogel Alcove is located in a highly distressed census tract, with a 30% poverty rate.

The community benefits from this project include the following:

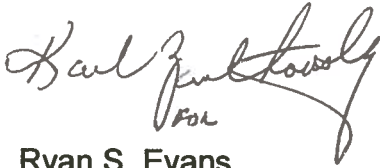
- **Early Childhood Services:** expanded childcare for children ages 6 months to 5 years. At the new facility, Vogel Alcove can serve an additional 32 children. They also screen and address (as needed) developmental delays and disorders for these young children.

Dallas-Together, we do it better

- After School Programs: A new after school program to provide care and educational programming to 25 homeless elementary school children.
- Family Support Services: Each family is assigned a case manager, and parents have access to training, job search assistance, child care assistance and referrals to other community resources.
- Healthcare: Through a partnership with Parkland's Homeless Outreach Medical Services (HOMES) and Community Dental Care, children can receive free well-child check-ups, treatments, immunizations, referrals and dental care.

Without NMTC assistance, Vogel Alcove's expansion in its facility would take substantially longer. Vogel has a current waitlist of over 40 children for its day care offerings, and has a need to offer expanded services. The NTMC funding allows these services to be offered sooner than if Vogel Alcove was 100% dependent on its capital campaign. DDF's funding helps address funding challenges related to build-out, operating expenses, and expanded services.

Should you have any questions or concerns, 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, 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

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Mgr.
Theresa O'Donnell, Interim Assistant City Mgr.
Jeanne Chipperfield, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

Memorandum



DATE November 27, 2013

TO Tennell Atkins (Chair), Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **Consultant Selection for Public Awareness and Marketing Assistance to Complement GrowSouth**

At the December 11th Council meeting, you will consider authorizing a one-year service contract not to exceed \$250,000 for public awareness, advertising and marketing related to GrowSouth with Allyn Media.

This service contract will allow the Office of Economic Development in partnership with the Mayor's Office and the Public Information Office to hire a media and marketing firm to provide strategic, creative, interactive, media and public relation services related to the Mayor's GrowSouth campaign. The deliverables will include research and planning, creative development, marketing communications, media placement and public relations. City funds are supporting working media only. The creative development is being provided pro-bono.

The Mayor launched his GrowSouth campaign in February 2012, with a focus on smartly developing Southern Dallas. GrowSouth is a comprehensive strategy to build a foundation for sustainable growth which includes key projects that can serve as catalysts for development in key areas. The City has presented a work plan that supports what they can accomplish as part of "GrowSouth" including short term and long term infrastructure and capital improvements that will support and enhance growth in Southern Dallas. The media campaign will focus on paving the way for new perceptions of Southern Dallas.

On July 18, 2013, the City of Dallas issued a Request For Proposal seeking proposals from professional marketing firms to develop a targeted public awareness campaign to complement the branding efforts of the Mayor's GrowSouth initiative. A six member evaluation committee was selected from the following departments: the Office of Economic Development, the Dallas Police Department, the Public Information Office, Mayor's Office, Strategic Customer Services and Business Development and Procurement Services (Business Development and Procurement Services only evaluated the proposed pricing.)

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Pricing: services provided within a fixed budget (30 points)
- Quality of prior campaigns and qualifications of key staff (25 points)
- Responsiveness to proposal, proposed method for conducting campaigns and project plan (25 points)
- Experience in the last five years with development of public awareness or advertising campaign as the primary business focus (20 points)

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 1,639 email solicitation notifications to vendors registered under respective commodities. Additionally, in an effort to secure more proposal responses, notifications were sent by the BDPS' ResourceLink Team (RLT) to 25 Chambers of Commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

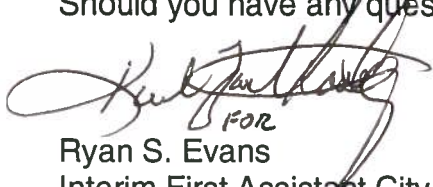
Allyn Media from Dallas, TX was determined to be the most advantageous proposer of seven, and Council is asked to authorize a \$250,000 service contract for a one year term. The \$250,000 reflects the working media budget.

The scores and address of the respondents are below.

*Denotes successful proposer

<u>Proposers</u>	<u>Address</u>	<u>Score</u>
*Allyn Media	3232 McKinney Ave. Suite 660 Dallas, TX 75204	87.29
Time Warner Cable Media	5001 Spring Valley Rd. Suite 300E Dallas, TX 75244	86.09
Moatsworks Studios, LLC	1568 Sandston Dr. Frisco, TX 75034	82.20
aMAEzing, LLC	215 N. Center St. Suite 1507 San Antonio, TX 78202	70.53
Enigma, LLC	100 Crescent Court Suite 700 Dallas, TX 75201	67.45
Marcus Graham Project	1409 S. Lamar St. Suite 108 Dallas, TX 75215	64.01
Adbongo, Inc.	2626 Valley View Lane Dallas, TX 75234	40.66

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

A handwritten signature in black ink, appearing to read "Ryan S. Evans". The signature is stylized and includes the word "FOR" written in smaller letters below the main signature.

Ryan S. Evans
Interim First Assistant City Manager

cc: A.C. Gonzalez, Interim City Manager
Warren M. S. Ernst, City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Jill A. Jordan, P. E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Memorandum



DATE November 27, 2013

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

SUBJECT **711 Elm Street Development Agreement – Downtown Connection TIF District; December 11, 2013
City Council Agenda**

The Lamar Corridor/West End Sub-district of the City Center TIF District was created to expand the downtown core and redevelopment momentum to the West End. Redevelopment of surface parking lots, vacant or mostly vacant buildings in the West End area is possible with some public investment.

The proposed project will complete improvements to the façade, vacant ground floor retail space and outdoor public area of the building located at 711 Elm Street. The building is adjacent to the historic West End, West End DART Rail Station, and is across the street from El Centro College. The ground floor retail space accounts for 6,600 square feet. Currently 3,600 square feet of the ground floor space is occupied by a 7-11 and small restaurant. The upper floors of the building are used for parking. The ground floor retail and parking garage serves El Centro College students, faculty and staff, visitors to the West End, commuters on the DART Rail line and Downtown employees working in office buildings nearby.

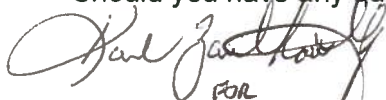
The building has approximately 3,000 square feet of vacant ground floor space that faces Austin Street, directly adjacent to the West End DART Rail Station. Staff is proposing, through the use of TIF funds for the project, to reimburse the developer's costs to activate Austin Street with enhanced streetscape that the developer would not install otherwise and renovation of the vacant space. These improvements will improve pedestrian connectivity to the rail station. TIF funds will not be used to reimburse any parking renovation costs.

The project is scheduled to be reviewed by the Landmark Commission on January 6, 2013, to ensure its design complies with the West End District Historical Design Guidelines. Approval of the project's design by the Landmark Commission and issuance of a Certificate of Appropriateness is a requirement of TIF funding.

The total project cost for the redevelopment project is \$562,323. TIF funding for the project is proposed to be a maximum of \$124,000, of which \$50,000 is in the form of an Economic Development TIF Grant. TIF funding will reimburse project costs for demolition, façade improvements, and Austin Street streetscape improvements. The proposed improvements to Austin Street would not occur but for, TIF participation.

The 711 Elm Street redevelopment project is consistent with the Downtown Dallas 360 Plan's vision for revitalization of the West End area and adds to the area's development momentum.

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



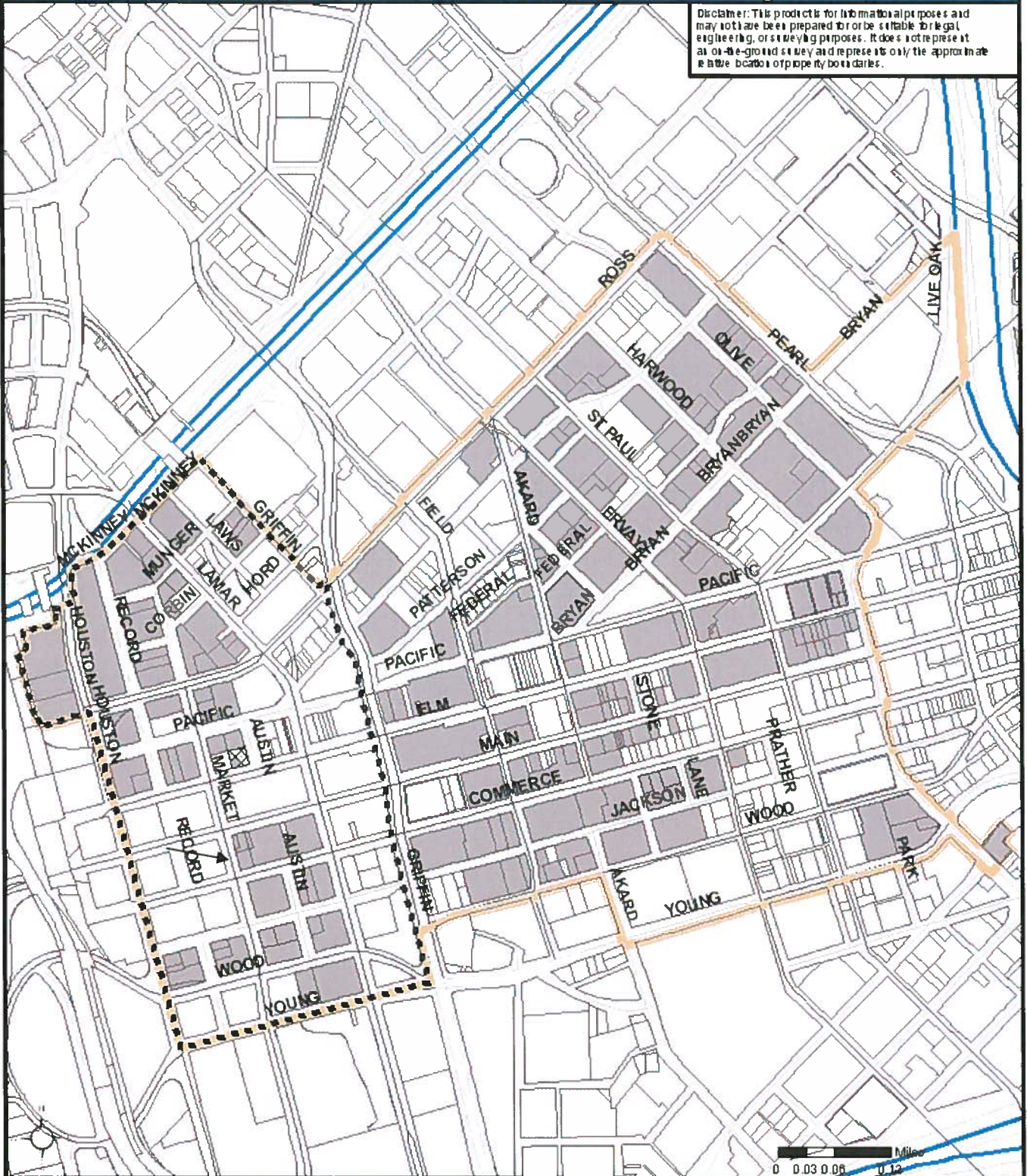
Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, 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
Forest E. 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, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

711 Elm Street Location Map

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.



**DALLAS
 ECONOMIC
 DEVELOPMENT**

Area Redevelopment Division
 214.670.1685
 dallas-ecodev.org

Legend

- Proposed City Center TIF District Boundary
- Lamar Corridor/West End Sub-District
- City Center TIF District Parcels
- 711 Elm Street

Memorandum



DATE November 27, 2013

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

SUBJECT **Aloft Hotel Development Agreement Amendment – Downtown Connection TIF District;
December 11, 2013 City Council Agenda**

The Aloft Hotel TIF project was completed May of 2010. Current DCAD assessed value (stabilized) for the project is \$13.7M, which is 87% of Staff's original estimated value for the project (\$15.8M). Staff has proposed and the developer has agreed to a reduced TIF award of \$3,734,419, which is 87% of the developer's requested amendment. This results in a cost savings of \$559,845 from the budgeted TIF expenditure.

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, 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
Forest E. 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, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

Memorandum



DATE November 27, 2013

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

SUBJECT **LTV Tower (1600 Pacific Ave.) Redevelopment Project Deadline Extension – Downtown
Connection TIF District; December 11, 2013 City Council Agenda**

On May 22, 2013, City Council approved various agreements associated with the LTV Tower redevelopment project. These agreements established deadlines for certain benchmarks to occur as the project progressed. Since Council's approval, First National Bank of Edinburg, the bank that held the note for the building, failed.

On September 16, 2013, the Federal Deposit Insurance Corporation (FDIC) took over First National Bank of Edinburg (FNB). In the takeover, a portion of the FNB's assets and liabilities were assumed by Plains Capital Bank, with the remainder of the assets, including the FNB's mortgage on the LTV Building were assumed by the FDIC as receiver. The bank takeover and subsequent negotiations with the FDIC necessitates an extension to allow the developer, 1600 Pacific Landlord, LLC (parent company HRI Properties), time to close the financing for the redevelopment project.

The following project deadlines are requested to be extended from December 31, 2013, to June 30, 2014 (6 months):

- effective date of the project's eligibility for reimbursement
- building acquisition and project construction financing closing date
- building/demolition permit and start of construction date

The following project deadlines are requested to be extended from December 31, 2015 to June 30, 2016 (6 months):

- completion of construction and final acceptance date of public infrastructure improvements
- execution of an Operation and Maintenance agreement for public infrastructure improvements

To date, the developer has negotiated a Tri-Party agreement with the FDIC and Ricchi Dallas Investments, LLC, whereby at closing, the FDIC will release its first mortgage lien on the building in exchange for a cash payment plus a pledge of the TIF funding approved for the project. The developer has also applied for a building permit with the City on October 30, 2013, executed a franchise agreement with a hotel brand, received a term sheet for a construction/mini-permanent loan with a formal commitment expected by November 30, 2013, executed a term sheet with its equity partner and received a term sheet for its historic tax credit investor.

The redeveloped building will include 171 hotel rooms with small meeting space and 186 luxury apartment units. Parking located within in the building on floors 2 through 4 will be dedicated to residents of the building, while parking space under the building will service hotel guests.

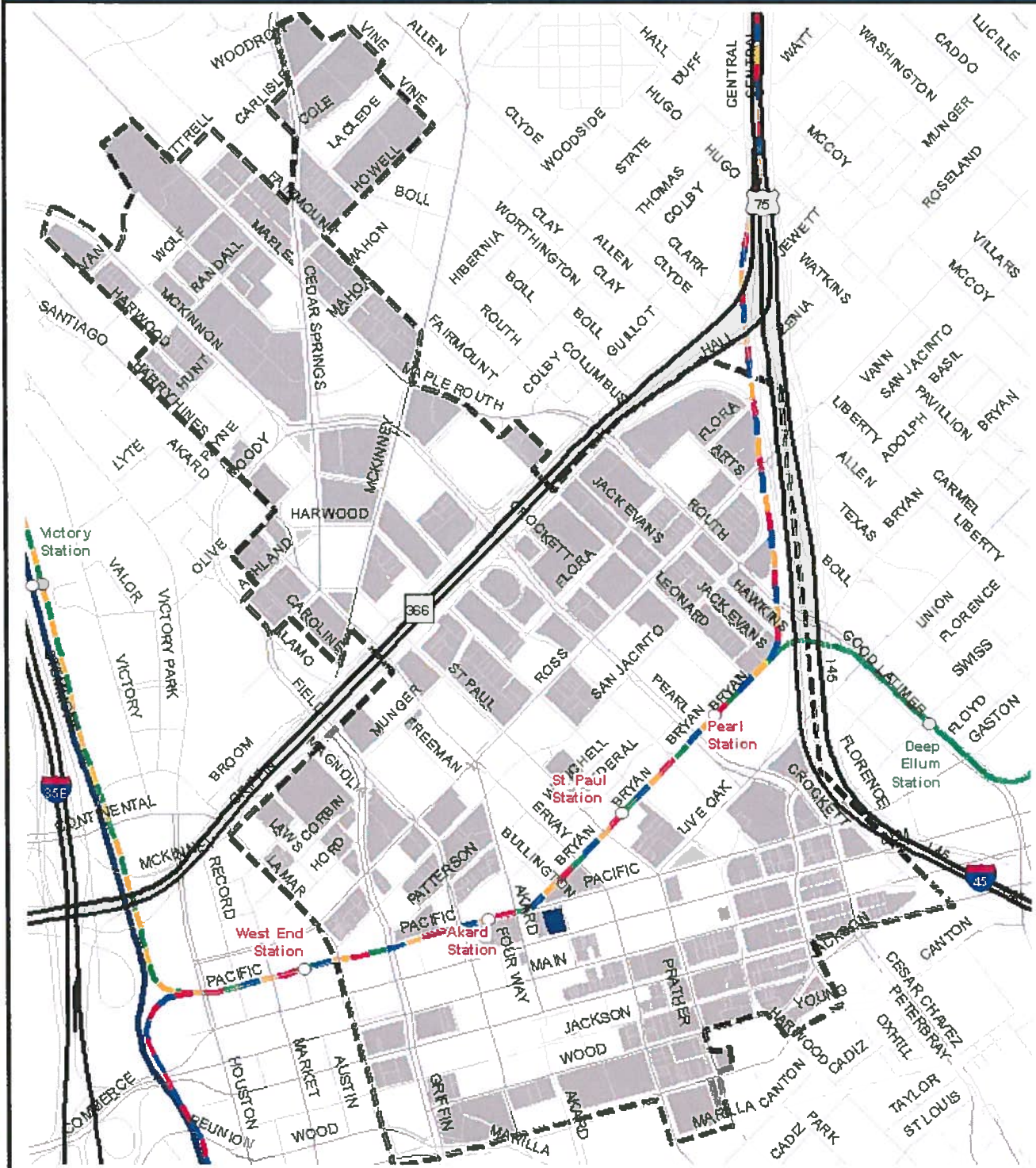
Should you have any questions, please contact me at (214) 670-3296.

Ryan S. Evans
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, 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
Forest E. 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, CFO, OFS
Karl Zavitkovsky, Director, OED
J. Hammond Perot, Assistant Director, OED
Elsa Cantu, Assistant to the CMO

LTV Tower Redevelopment Project



City of Dallas
 Office of Economic Development

Area Redevelopment Division
<http://www.Callas-EcoDev.org>

City of Dallas
 Created 2/2013

Legend

- 1600 Pacific Avenue
- Downtown Collection TIF Boundary
- Downtown Collection TIF Parcels
- Properties Outside of TIF
- Rail Station
- DART Red Line
- DART Blue Line
- DART Green Line
- DART Orange Line
- Trinity Railway Express