

# Memorandum



DATE October 4, 2013

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

SUBJECT **Reimagining Victory Park**

On Monday, October 7, 2013 the Economic Development Committee will be briefed on the Victory Park technical and design studies recommendations and implementation – Sports Arena TIF District.

Briefing material is attached.

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



Ryan S. Evans  
Interim First Assistant City Manager

C: A.C. Gonzalez, Interim City Manager  
Rosa Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge Municipal Court  
Frank Libro, Public Information Officer  
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  
Elsa Cantu, Assistant to the City Manager-Council Office

# Reimagining Victory Park

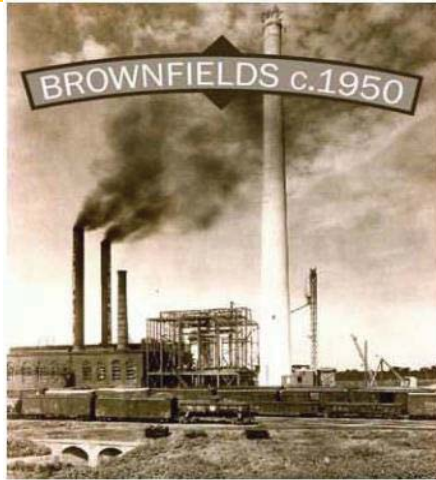
Economic Development Committee  
October 7, 2013

# Purpose

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- Provide history of Victory Park/Sports Arena TIF District
- Review District Wide Study Recommendations
- Review Vision Implementation Steps
- Obtain Economic Development Committee's approval for consideration of first implementation projects by City Council on October 23, 2013

# Victory Park *Background*



Former Electric Power Generating Plant



- 75 acre Brownfield
- Previous uses of the site included:
  - Electric power generating plant with cooling ponds
  - Garbage crematorium
  - Railroad maintenance facility
  - Packinghouse
  - Landfill
- 70% of site contaminated by/with:
  - Under ground and above ground storage tanks
  - Petroleum Hydrocarbons
  - Metals
  - Solvents
  - Asbestos
  - Pesticides
  - Polynuclear Aromatic Hydrocarbons

# Victory Park

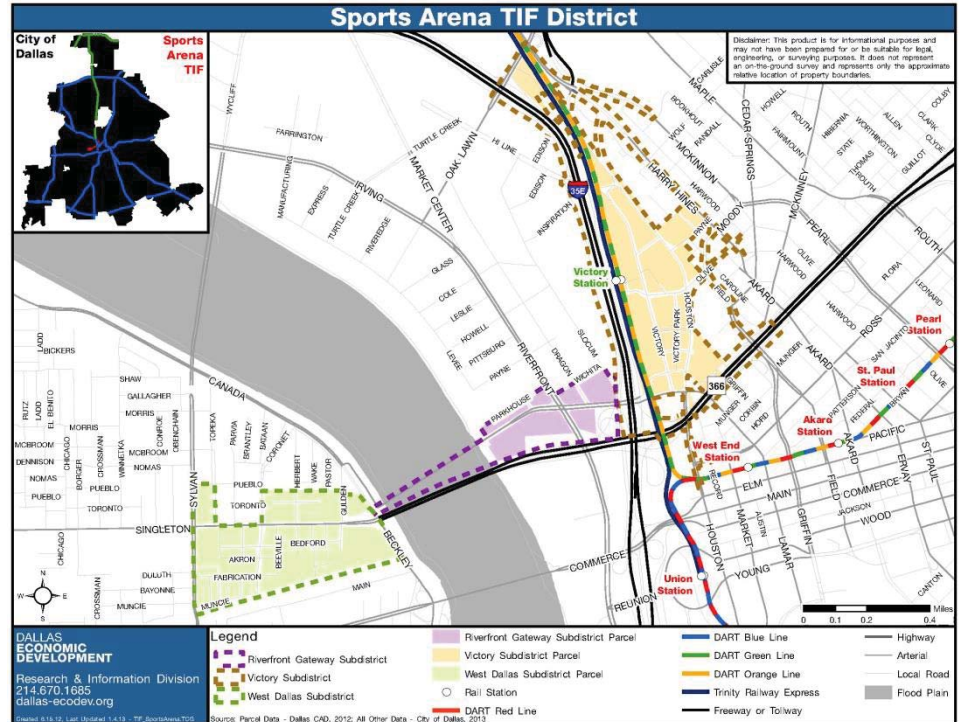
## *Background*

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- **March 1993** – Stars announce move to Dallas
- **June 1994** – Council approves negotiation of new sports arena
- **June 1995** – Study of potential sites commissioned by Council
- **February 1996** – Tom Hicks buys the Stars
- **April 1996** – Ross Perot Jr. buys the Mavericks
- **June 1997** – Brimer Bill passes, City arena funding mechanism
- **January 1998** – Council briefing on Sports Arena terms
- **January 1998** – Arena proposition passed by Dallas voters
- **October 1998** – Sports Arena TIF District created
- **May 1999** – Sports Arena naming rights sold to American Airlines
- **August 1999** – Hicks sells interest in Victory to Perot
- **August 1999** – City secures participation in TIF district from DISD, Dallas County and DCHD
- **January 2000** – Perot sells Mavericks' controlling interest to Mark Cuban
- **July 2001** – American Airlines Center opens; TIF infrastructure improvements completed

# Sports Arena TIF District *Background*

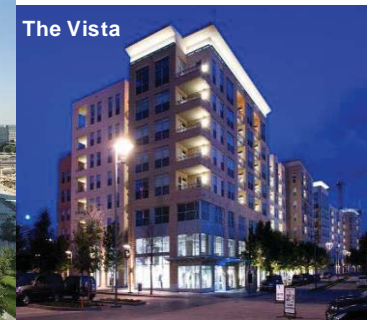
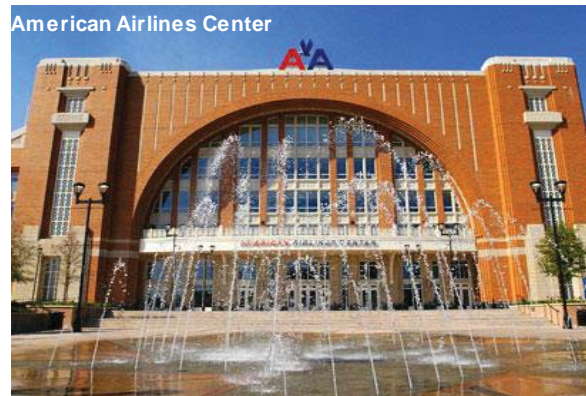
- Originally created 1998
- Amended May 2012
  - Extended term to December 31, 2028
  - Boundary expanded to create Riverfront Gateway and West Dallas Sub-districts
  - Created 10% set-aside of Victory Sub-district increment for West Dallas Sub-district
  - Increased budget for TIF district
- Purpose of District Amendment
  - Allows collection of additional tax increment in Victory Sub-district to address parking, circulation, and neighborhood design
  - Supports new development in West Dallas by dedicating 10% of increment generated in Victory Sub-district
  - Exponentially increases property value of Victory Sub-district during extended term



# Sports Arena TIF District

## *Victory Sub-district Successes*

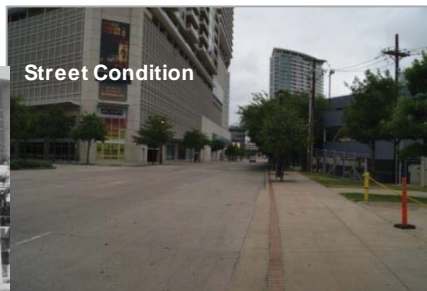
- Value of district increased from \$16.4M to \$461.8M (2712% increase)
- American Airlines Center, Residential Development, Office Development, Victory Park Light Rail Station; Access to the KATY Trail, Entertainment



# Sports Arena TIF District

## *Victory Sub-district Missteps*

- Current street system focused on AAC event arrival and departure
- Limited District connection to KATY Trail
- One-way Houston St. and Victory Ave. design prevents connectivity to adjacent neighborhoods
- Parking and circulation is confusing and inconvenient
- Pedestrian circulation throughout the district is disjointed and
- Retail environment is monochromatic, not distinct or inviting
- Victory Park Lane is a one-sided retail street; one-side retail does not work
- Poor signage and wayfinding throughout the District
- Development lacks overall density and retail critical mass





# Sports Arena TIF District

## *Victory Sub-district Design and Technical Studies*

- May 2012 City Council approved a TIF Grant to reimburse UST for design and technical studies for the district. The studies were completed May 2013.
- The studies examined the following:
  - Circulation
    - Two Way Traffic
    - Pedestrian Access
    - Bicycle Access
  - Parking
    - Current & Future Parking
    - Shared Parking Analysis
  - Urban Neighborhood Design
    - Placemaking
    - Victory Park Lane & Park Redesign
    - Signage & Wayfinding
  - Retail Analysis
    - Tenant Storefront Redesign Program
    - Complete Block D Retail & Activate Vacant Lots
    - Merchandise Strategy & Program



# Collaborative Team Effort

## *District Wide Studies*

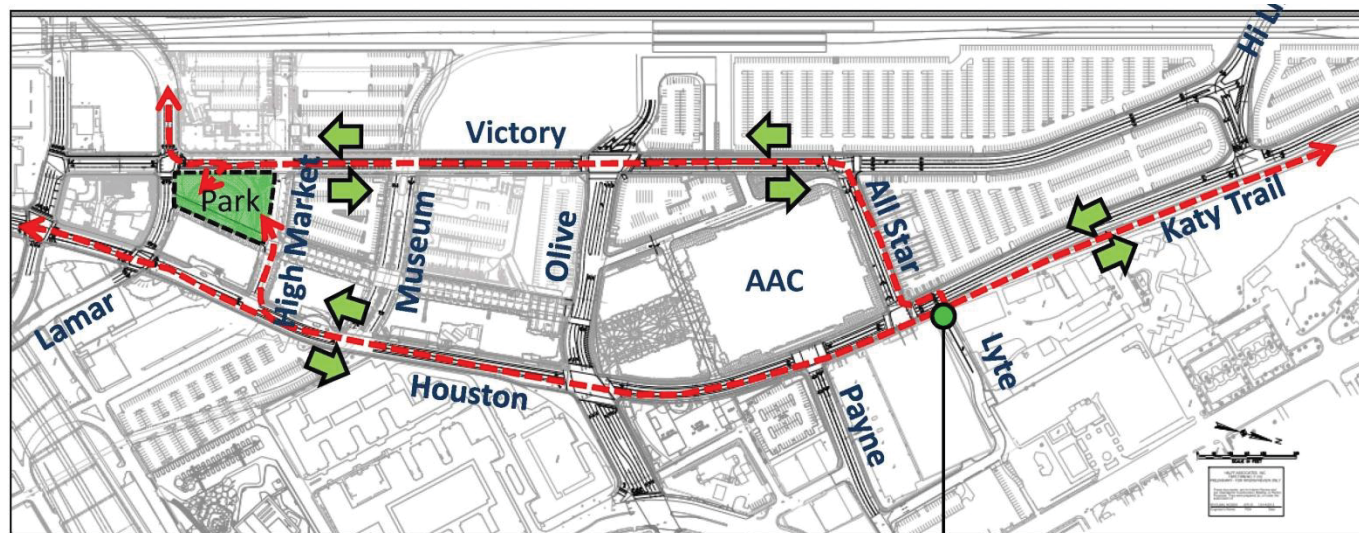
- Estein & Associates (UST Owners)
- Trademark Property Company
- Cushman & Wakefield
- Stantec (w/Belle Firma)
- RTKL Associates, Inc.
- Halff Associates, Inc. (w/Savant Group, HWA Parking, GRAM NTX, Quality Counts)
- CityDesign Studio
- City Staff
- Victory Stakeholders
  - Hillwood
  - Center Operating Company (COC)
  - Victory Tenants
  - Victory Residents
  - Local Dallas residents



# Technical Studies

## *Circulation – Recommendations*

- Two-Way Conversion
  - Amend City's Thoroughfare Plan to convert Houston Street and Victory Avenue to two-way traffic flow
- Pedestrian Access
  - Provide traffic calming improvements on Olive Street
  - Enhance sidewalk environment on Victory Park Lane
  - Encourage seamless flow of visitors and users throughout the urban district
- Bicycle Access
  - Improve bicycle circulation throughout the sub-district
  - Capitalize on Victory's proximity to KATY Trail; relocate terminus of trail to district park



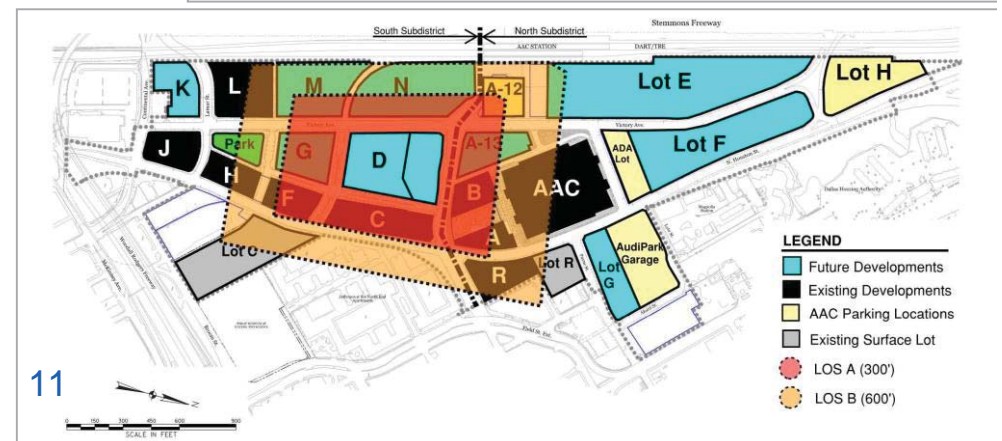
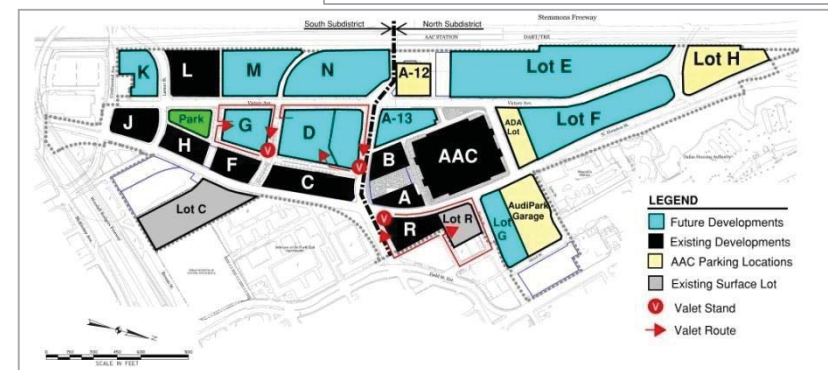
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On-Street      Off-Street

# Technical Studies

## *Parking – Recommendations*

- Implement parking wayfinding for district
- Implement valet system for district
- Amend 1999 Parking Rights Agreements – allow shared parking
- Amended PD 582 - revise parking requirements for the district
- Construct multipurpose garages providing usage at both AAC event and non-event times
- Improve retail patron walking distance from parking locations



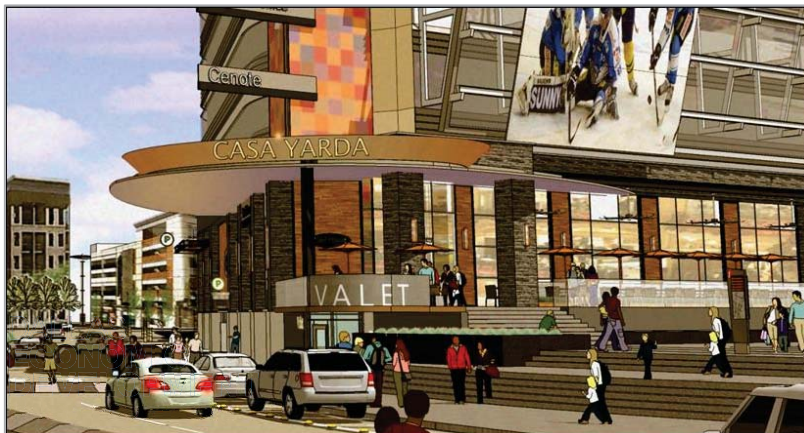
# Technical Studies

## *Retail Analysis – Recommendations*

- Implement a tenant storefront design criteria for all retail frontage



- Attract a large 'Food & Beverage' tenant at base of plaza office building



# Technical Studies

## *Retail Analysis – Recommendations*

- Develop a Retail/Office/Parking building on the existing Block D garage
- Develop additional commercial uses on Block G, to create a two-sided street retail condition
- Activate existing vacant lot at Olive St. and Victory Park Ln. with a Retail Pavillion



# Technical Studies

## *Retail Analysis – Merchandise Strategy & Leasing Program*

- Target entertainment anchor to support future restaurants
- Drive consistent daily non-event traffic with a diverse, unique tenant mix
- Engage local brokerage, restaurant and retail communities
- Attract quality grocery, cinema and service retail tenants
- Pursue mix of restaurants, bars, live music, entertainment options and shops targeting the 25-40 year-old demographic
- Capitalize on creative class office momentum
- Consider non-traditional uses (food truck garden, street vendors, artisan market)
- Explore public uses (festivals, movies on the lawn, new product demos)
- Pursue unique food concepts and gourmet “dive” restaurants

# Urban Neighborhood Design Study

## *Recommendations*

- Improve visual and pedestrian connectivity between Victory Park Lane and American Airlines Center encouraging the seamless flow of visitors



- Enhance Victory Park Lane as a distinctive place





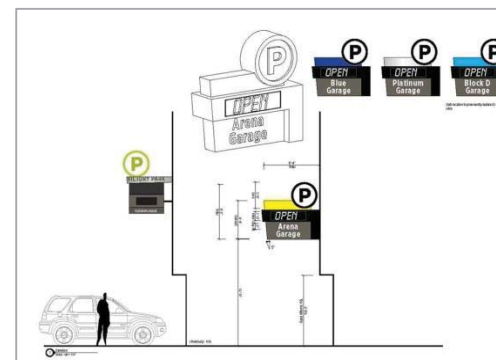
# Urban Neighborhood Design Study

## *Recommendations*

- Transform the Park into an active, lively destination, anchoring the southern end of Victory Park Lane



- Create a comprehensive Signing and Wayfinding Program that clarifies and simplifies information needed by visitors and customers to efficiently circulate through, park and arrive at the many Victory Park urban neighborhood destinations



# Next Steps

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- Olive Street Public Improvement Project
- Victory Park Lane Public Improvement Project
- Thoroughfare Plan Amendment

# Sports Arena TIF District

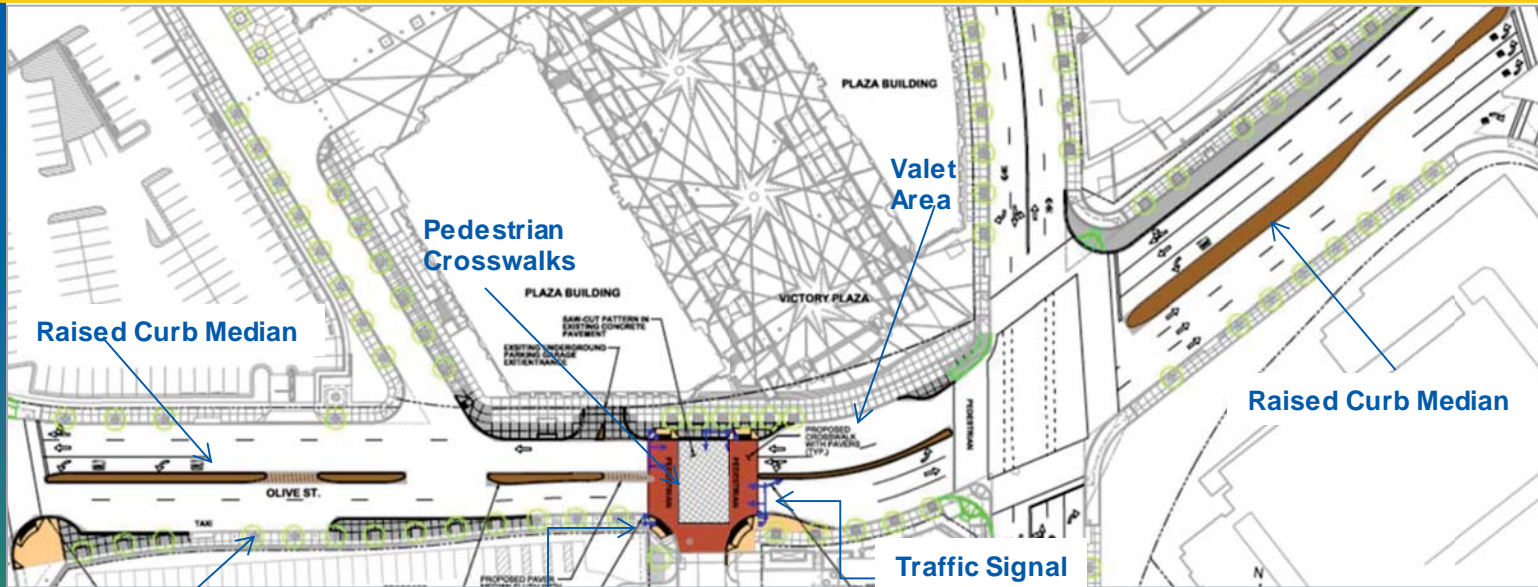
## *Olive Street Public Improvement Project*

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- **Reconfiguration of Olive Street to address:**
  - street's current width makes crossing difficult for pedestrians
  - lack of crosswalk at Victory Park Lane
  - orientation of plaza does not successfully direct event patrons to retail component along Victory Park Lane
- **Project will:**
  - construct a raised curbed median from Victory Avenue to Field Street;
  - construct two new mid-block pedestrian crosswalks
  - Install vehicular and pedestrian traffic signals at Victory Park Lane
  - dedicate staging areas to valet cars along north curb line west of N. Houston St. and queue taxis along south curb line west of Victory Park Lane
- **Project Cost:** \$825,100
- **Project Start Date:** May 2014
- **Project Completion Date:** December 2015
- UST will front costs of project and will be reimbursed upon completion from TIF funds as they become available

# Sports Arena TIF District

## *Olive Street Public Improvement Project*



Raised Curb Median

Pedestrian Crosswalks

Valet Area

Raised Curb Median

Traffic Signal

Taxi Queue

Pedestrian Signal



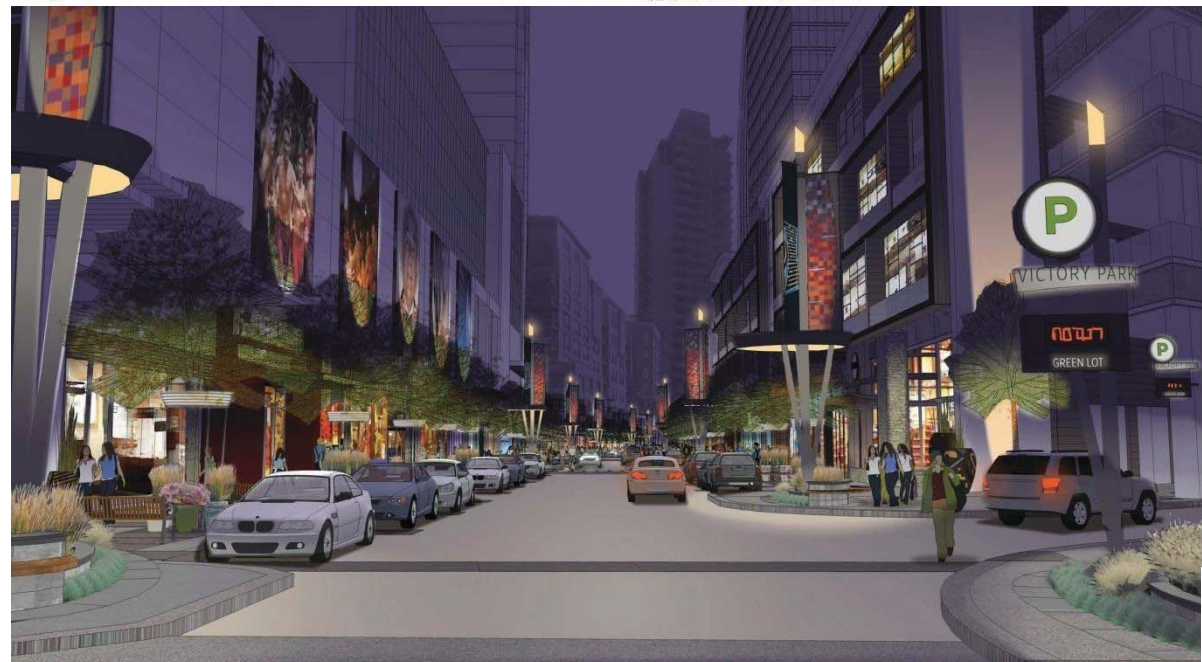
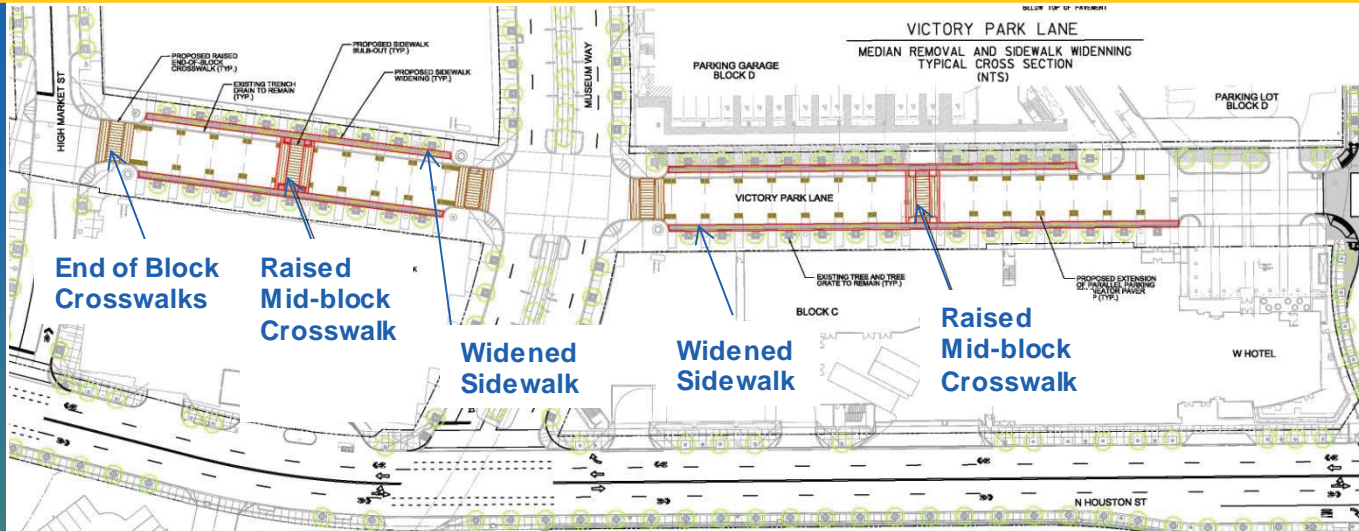
# Sports Arena TIF District

## *Victory Park Lane Public Improvement Project*

- **Reconfiguration of Victory Park Lane to create:**
  - Wider sidewalks and provide more area for outside dining and activity
  - Enhance connectivity between plaza outside of American Airlines Center to retail and residential development south of Olive Street, and Park in the south end of District
  - Successful direction of event patrons to retail component along Victory Park Lane
- **Project will:**
  - remove existing raised medians and street lights
  - widen sidewalks
  - modify existing drainage system
  - construct raised mid-block crosswalks, sidewalk bulb-outs and end-of-block crosswalks
  - modify sidewalks at new street light and banner structures locations
  - construct foundation for new street light structures
  - install conduits to support street lights and communication infrastructure
  - install streetscape irrigation, drainage and power.
- **Project Cost:** \$1,226,500
- **Project Start Date:** May 2014
- **Project Completion Date:** December 2015
- UST will front project costs and will be reimbursed upon completion from TIF funds as they become available

# Sports Arena TIF District

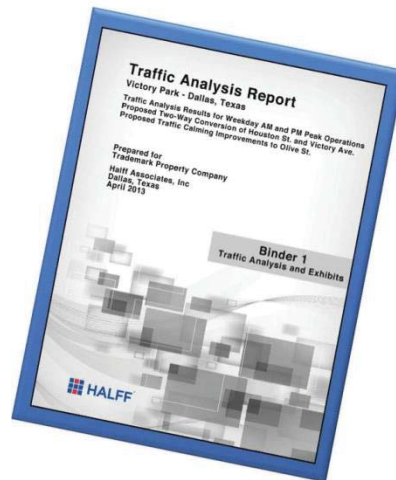
## *Victory Park Lane Public Improvement Project*



# Sports Arena TIF District *Thoroughfare Plan Amendment*

- Two- Way Traffic Conversion - Houston Street and Victory Avenue
  - **Schedule for Council Consideration**
    - City Plan Commission Transportation Committee – October 24, 2013
    - City Plan Commission Meeting – November 7, 2013
    - City Council Meeting (Public Hearing) – December 11, 2013

## Traffic Analysis



AM/PM Peak  
Operations Report

## AAC Event Operations



Event  
Operations Report

# Recommendation

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- Staff requests ECO Committee's approval for consideration by Council of:
  - Development agreement with Victory Park UST Joint Venture I, LP for TIF reimbursement not to exceed \$825,100 for Olive Street Public Improvement Project on October 23, 2013.
  - Development agreement with Victory Park UST Joint Venture I, LP for TIF reimbursement not to exceed \$1,226,500 for Victory Park Lane Public Improvement Project on October 23, 2013.





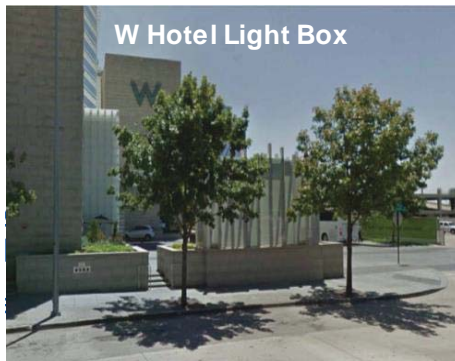
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# APPENDICES

# Sports Arena TIF District

## *Private Development & Investment*

• Block D Garage Finish Out	\$14,000,000
• Block G Development	\$70,000,000
• Development in district Park	\$2,250,000
• Temporary Retail Building (Block D)	\$720,000
• W Hotel Light Box (Removal)	\$375,000
• Existing Ground Floor Retail Lease Up Cost	<u>\$13,600,000</u>
<b>Estimated Incremental Private Investment</b>	<b>\$100,945,000</b>



# Appendix A: Project Requirements/Other Information

Olive Street Public Improvement Project Facts	
Required Private Investment – (acquisition, construction hard and soft costs)	Min. \$825,000
Expected Total Project Cost	\$825,000
TIF Funding	\$825,000
% TIF funds to total project cost	100%
Deadline to Obtain Building Permit	May 31, 2013
Deadline to Obtain Final CO	December 31, 2015

Victory Park Lane Public Improvement Project Facts	
Required Private Investment	Min. \$1,226,500
Expected Total Project Cost	\$1,226,500
TIF Funding	\$1,225,500
% TIF funds to total project cost	100%
Deadline to Obtain Building Permit	May 31, 2014
Deadline to Obtain Final CO	December 31, 2015

# Public Improvement Projects

## *Conditions of TIF Funding*

- Minimum \$825,100 in Project costs funded by Developer; (Olive Street)
  - Minimum \$1,226,500 in Project costs funded by Developer; (Victory Park Lane)
- Obtain a building permit and start construction of the Project by May 31, 2014; (Both Projects)
- Obtain final acceptance of all public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works and Transportation Department within 30 weeks after Start Construction date and submit documentation to the Office of Economic Development (the “OED”) and in no case later than December 31, 2015; (Both Projects)
  - Execute an Operating and Maintenance agreement for “non-standard” public infrastructure improvements constructed with the Olive Street Project for a period not to exceed 20 years no later than December 31, 2015. Non-standard improvements are defined as improvements which exceed the City of Dallas’ standard design requirements, as determined by the City’s Department of Public Works and Transportation and shall include specially designed street/pedestrian lighting, brick pavers, sidewalks, pavement materials, landscaping and irrigation. Upon approval of the Director, the Operation and Maintenance Agreement may be assigned to another entity and this entity shall assume all requirements of the agreement; (Both Projects)

# Public Improvement Projects

## *Conditions of TIF Funding (Continued)*

- Evidence of investment by UST in three of the five following private improvements within the district within 6 months of project completion: (Olive Street)
  - Restaurant space adjacent to Olive Street;
  - Temporary retail building on Block D within the District;
  - Completion of W Hotel Victory Park rooms renovation project with a minimum of \$3.5 million investment ;
  - Removal of artistic light box in front of the W Hotel with associated place making elements such as seating and plant material;
  - Creation and Operation of a Valet Program to serve the Plaza restaurant tenants at Olive Street and Victory Park Lane;
- Sign leases for a minimum of 20,000 sq. ft. of total net leasable square footage of vacant retail space located along Victory Park Lane or adjacent to the park in Victory Park, from the date hereof until 12 months following completion; (Victory Park Lane)
- Obtain approval of construction Plans, Specifications and Estimate (PS&E) package from the City, execute 3-way Private Development Contract and Start Construction of the Project within 24 weeks after the City Council approval of the project but shall be completed no later than December 31, 2015. The 24-week period is contingent on the City review process of the PS&E package; (Victory Park Lane)
- Soft costs (non-construction related) and/or professional services contingency costs shall not exceed 20% of funds allocated to the Contingencies for Traffic Control and

# Public Improvement Projects

## *Conditions of TIF Funding (Continued)*

- Unforeseen Contingencies line item of the project's budget; the balance (80%) of the line item's funds shall be used for construction contingency costs; (Victory Park Lane)
- Soft costs (non-construction related) and/or professional services contingency costs shall not exceed 20% of funds allocated to the Contingencies for Traffic Control and Unforeseen Contingencies line item of the project's budget; the balance (80%) of the line item's funds shall be used for construction contingency costs. (Victory Park Lane)
  - Construction of Project improvements shall be in general conformance with design plans approved by the Sports Arena TIF Board of Directors and Dallas City Council; (Both Projects)
  - Developer shall submit to the Director of the OED a quarterly status report for ongoing work on the project, as well as public improvements. Status reports will be due once every three months after the Council approval date; (Both Projects)
  - Comply with the Business Inclusion and Development ("BID") goal of twenty-five percent (25%) Minority/Women-owned Business Enterprise (M/WBE) participation for TIF reimbursable improvements, and the Developer shall make a good faith effort to achieve a goal of 25% certified M/WBE participation for total private improvement construction expenditures for the Project, and meet all reporting requirements for each; (Both Projects)

# Public Improvement Projects

## *Conditions of TIF Funding*

- Prior to the TIF Board's consideration, review of the Project's design by the Urban Design Peer Review Panel (UDPRP), an independent group of design, engineering, and/or planning professionals selected by the Dallas City Manager, is required for all City Center TIF District projects. The UDPRP shall review and provide recommendations on the Project's design to the TIF Board for their consideration. The Project's design plans shall include: (Both Projects)
  - A site plan showing the location of parcel boundaries clearly differentiating publically accessible space from private space.
  - A pedestrian lighting plan for the site using lighting acceptable to the City and spaced at approximately 75 feet unless otherwise required by the City's Public Works and Transportation Department. This lighting plan is required for all public and private streets included in the project.
  - A sidewalk plan for the project. Sidewalks with high anticipated levels of pedestrian traffic shall be designed to accommodate the traffic. The sidewalks shall have a minimum 7 foot walking zone and a minimum 3 foot landscaping and lighting zone, where possible. Landscaping and pedestrian lights shall be placed in the area closest to the back of curb for the length of the sidewalk. The plan shall show the location and type of all landscaping materials.