

Memorandum



CITY OF DALLAS

DATE February 14, 2014

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

SUBJECT **WWF Operating Company – WhiteWave Foods Enterprise Zone Nomination
Council Agenda February 26, 2014**

BACKGROUND

The City of Dallas has been approached by WWF Operating Company (WhiteWave Foods) to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. The designation will allow for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per new job created or retained for benefit up to a maximum of \$1,250,000 over a five-year designation period. By participating in the program, the company is committing to retain its 225 jobs located in Dallas. Additionally, the company believes the project will result in ten new jobs.

In order to qualify as an Enterprise Zone Project, the business must have plans to invest new capital and hire or retain a minimum number of employees. Capital expenditures for routine and planned maintenance required to maintain regular business operations are only considered qualified capital investment if there will be a measurable increase in production capacity or decrease in cost per unit produced, and are limited to 40 percent of the total qualifying investment at the qualified business site. Businesses must commit to hire a certain percentage of "economically disadvantaged" individuals or Enterprise Zone residents. Currently, the economically disadvantaged hiring requirement for businesses located in an Enterprise Zone is 25%, while the requirement for businesses located outside of an Enterprise Zone is 35%. In order to qualify as economically disadvantaged, the individuals must meet certain criteria such as they were unemployed for at least three months before obtaining employment, received public assistance benefits, is a low-income individual, or an individual with a disability among other criteria.

WhiteWave Foods plans to invest \$15 Million at its existing Dallas manufacturing plant in southern Dallas over the next 2-3 years for new processing equipment related to its existing filler lines, as well as approximately \$1 million to renovate the warehouse space across Dan Morton Drive from the manufacturing plant to convert the warehouse into ambient-temperature storage space.

In April 2011 the City approved a tax abatement and grant agreement to facilitate the establishment of the WhiteWave Foods facility in Dallas. The agreement required a minimum of 75 new jobs and a minimum investment of approximately \$23 million. At this time, the company currently employs 225 people and has invested over \$80 million in the plant and equipment, far exceeding the required investment and job creation stipulated in the agreement.

WhiteWave Foods is a leading consumer packaged food and beverage company that manufactures, markets, distributes, and sells branded plant-based foods and beverages, coffee creamers and beverages, premium dairy products and organic produce throughout North America and Europe. The Company is focused on providing consumers with innovative, great-tasting food and beverage choices that meet their increasing desires for nutritious, flavorful, convenient, and responsibly-produced products.

The Company's widely-recognized, leading brands distributed in North America include Silk® plant-based foods and beverages, International Delight® and LAND O LAKES® coffee creamers and beverages, Horizon Organic® premium dairy products and Earthbound Farm® certified organic salads, fruits and vegetables.

This project conforms to the Public/Private Partnership guidelines in that it involves an investment of over \$1 million in the Southern Sector and involves the creation/retention of over 25 jobs. This project has no cost consideration to the City of Dallas.

Owner

WWF Operating Company

David Ragsdale
Plant Controller

Staff

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

Map

Attached

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

- A.C. Gonzalez, 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
- Karl Zavitkovsky, Director, Office of Economic Development
- J. Hammond Perot, Assistant Director, Office of Economic Development
- Frank Libro, Public Information Officer
- Elsa Cantu, Assistant to the City Manager – Mayor and Council

3333 Dan Morton Dr.



3333 Dan Morton Dr.
Dallas, TX 75236

DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 4.670.1685
 dallas-ecodev.org

Legend

- Freeway
- Highway
- Arterial
- Local Road

Source: City of Dallas, 2011

Memorandum



CITY OF DALLAS

DATE February 14, 2014

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

SUBJECT **Ryan, LLC Enterprise Zone Nomination
February 26, 2014 Council Agenda**

BACKGROUND

The City of Dallas has been approached by Ryan, LLC (Ryan) to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. The designation will allow for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per new job created or retained for benefit up to a maximum of \$1,250,000 over a five-year designation period. By participating in the program, the company is committing to retain its 348 jobs located in Dallas and add an additional 70 full-time jobs in Dallas.

In order to qualify as an Enterprise Zone Project, the business must have plans to invest new capital and hire or retain a minimum number of employees. Capital expenditures for routine and planned maintenance required to maintain regular business operations are only considered qualified capital investment if there will be a measurable increase in production capacity or decrease in cost per unit produced, and are limited to 40 percent of the total qualifying investment at the qualified business site. Businesses must commit to hire a certain percentage of "economically disadvantaged" individuals or Enterprise Zone residents. Currently, the economically disadvantaged hiring requirement for businesses located in an Enterprise Zone is 25%, while the requirement for businesses located outside of an Enterprise Zone is 35%. In order to qualify as economically disadvantaged, the individuals must meet certain criteria such as they were unemployed for at least three months before obtaining employment, received public assistance benefits, is a low-income individual, or an individual with a disability among other criteria.

Founded in 1991 with headquarters in Dallas, Ryan is the leading tax services firm in North America, with the largest transaction tax practice in the United States and Canada. Ryan provides a comprehensive range of federal, state, local, and international tax advisory and consulting services on a multi-jurisdictional basis.

With a multi-disciplinary team of more than 1,700 professionals and associates in 65 locations worldwide, Ryan serves many of the world's most prominent Fortune 1,000 companies across a diverse range of industries, including defense contractors, energy, healthcare, insurance, manufacturing, retail, oil and gas, and utilities. Through an array of strategic acquisitions and the addition of many new practice areas, Ryan has expanded its reach and service offerings to grow into one of the largest state and local tax services firms in the industry. Serving as the company's global headquarters, Ryan presently maintains 348 full-time employees at its Dallas office.

Over the next five years, Ryan, LLC commits to invest over \$5 million to modernize, upgrade and expand the Dallas operations. The Dallas facility will need to expand in order to meet the increasing needs of its global organization. Plans call for the total space occupied by the company to grow by 30,267 square feet, going from 101,264 to 131,531 square feet.

Ryan plans on spending approximately \$3 million on leasehold improvements to build out the 1st and 18th floors of its expanding office space at the Galleria. This will allow for at least 86 new workstations, which is in line with Ryan's new job projections. Additionally, Ryan plans to invest \$2 million in Disaster Recovery equipment, a server and computer refresh, and additional software to assist with the expanding company. About \$500,000 is planned for additional furniture and copying/printing equipment for the Dallas facility. Ryan projects it will hire an additional 70 new jobs for benefit over the five-year designation period.

Ryan will increase its employment levels in the executive, corporate services, and service delivery areas to handle its global expansion and to meet the needs of its clients. The company anticipates creating jobs in accounting, information technology, legal and human resources departments and investing in facilities to accommodate them. As the firm expands its practice to encompass areas not previously served such as federal income tax and certain tax compliance services, tax consultants and additional staff will be hired in Dallas to support the growth in national and international markets.

This project conforms to the Public/Private Partnership guidelines in that it involves the retention of over 150 jobs. This project has no cost consideration to the City of Dallas.

Owner

Ryan, LLC

Ginny B. Kissling
President, U.S. Operations

Staff

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

Map

Attached

Ryan LLC Enterprise Zone Nomination
February 14, 2014
Page 3 of 3

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

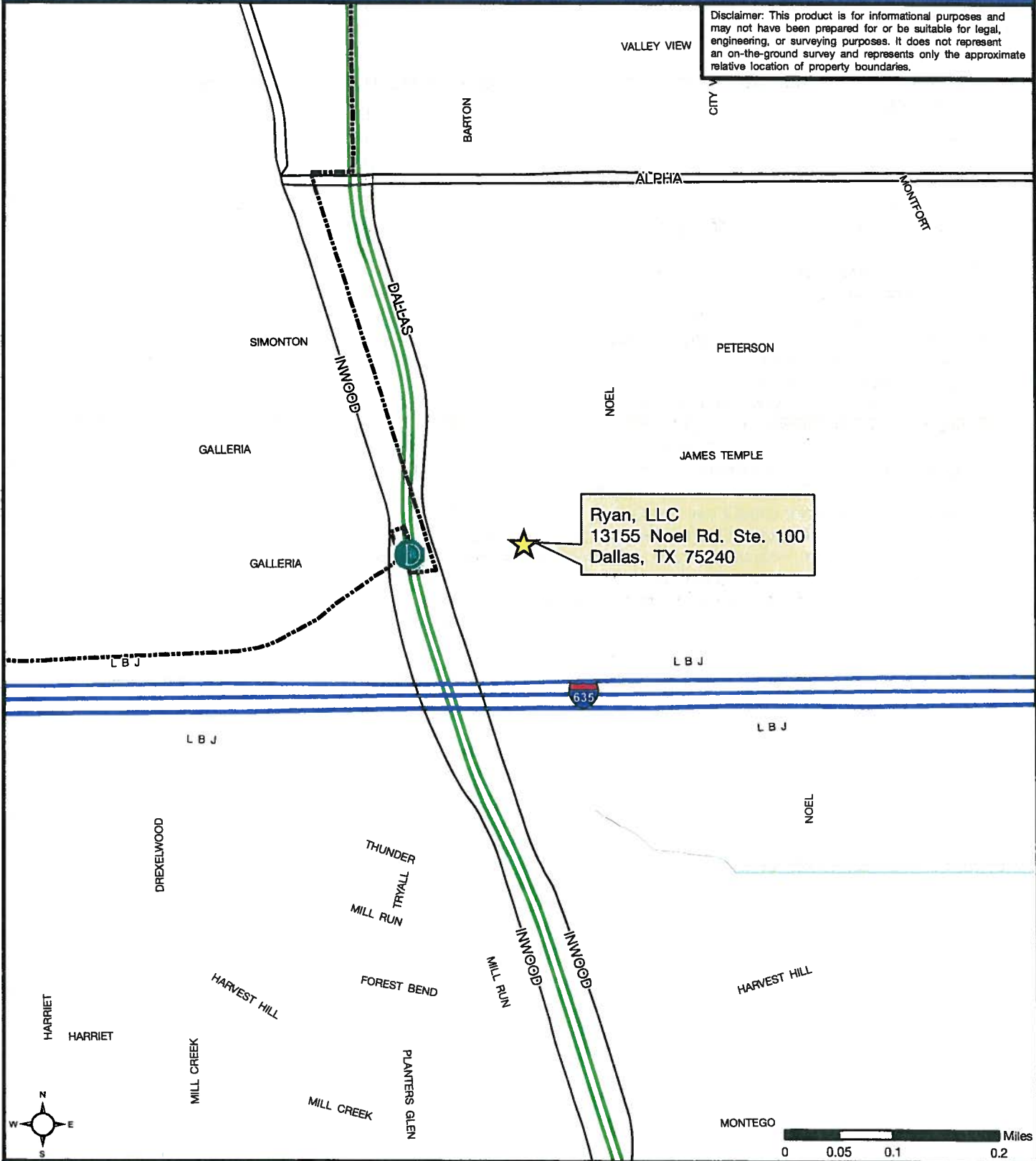


Ryan S. Evans
Interim First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, 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
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Ryan, 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.



Ryan, LLC
13155 Noel Rd. Ste. 100
Dallas, TX 75240

DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

Freeway
Tollway

Arterial
Local Road
City of Dallas

Source: City of Dallas, 2014

Memorandum



CITY OF DALLAS

DATE February 14, 2014

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

SUBJECT **Tenet Health Limited – Doctors Hospital at White Rock Lake
February 26, 2014 Council Agenda**

BACKGROUND

The City of Dallas has been approached by Tenet Hospitals Limited (Tenet Hospitals), the owner of Doctors Hospital at White Rock Lake, to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. The designation will allow for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per new job created or retained for benefit up to a maximum of \$1,250,000 over a five-year designation period. By participating in the program, the company is committing to retain its 319 full time jobs located in Dallas.

In order to qualify as an Enterprise Zone Project, the business must have plans to invest new capital and hire or retain a minimum number of employees. Capital expenditures for routine and planned maintenance required to maintain regular business operations are only considered qualified capital investment if there will be a measurable increase in production capacity or decrease in cost per unit produced, and are limited to 40 percent of the total qualifying investment at the qualified business site. Businesses must commit to hire a certain percentage of "economically disadvantaged" individuals or Enterprise Zone residents. Currently, the economically disadvantaged hiring requirement for businesses located in an Enterprise Zone is 25%, while the requirement for businesses located outside of an Enterprise Zone is 35%. In order to qualify as economically disadvantaged, the individuals must meet certain criteria such as they were unemployed for at least three months before obtaining employment, received public assistance benefits, is a low-income individual, or an individual with a disability among other criteria.

Tenet Hospitals' Doctors Hospital at White Rock Lake, located at 9440 Poppy Drive, has been providing generations of Dallasites with a broad spectrum of advanced healthcare programs and clinical services in general medicine, surgery, pediatrics and obstetrics since it opened in 1959. For the fifth consecutive year, Doctors Hospital at White Rock Lake has earned the prestigious award for Quality Respiratory Care Recognition from the American Association for Respiratory Care, a member organization representing more than 50,000 health professionals involved in respiratory care nationwide.

Doctors Hospital at White Rock Lake has also received the UnitedHealth Premium Cardiac Care and Rhythm Management specialty center designation in recognition of quality care. The designation is based on detailed information about specialized training, practice capabilities and outcomes.

Over the next five years, Tenet Hospitals commits to invest in Doctors Hospital at White Rock Lake by committing to spend almost \$7 million to modernize Operating Rooms. Additionally, it plans on spending \$3 million to upgrade the Hospital infrastructure, which will include facility improvements, new equipment and enhancement of service lines. This will include the purchase of new sterilizers, air handlers, and a new telemetry system.

The equipment is expected to be obtained and put in service over a staggered five year timeline.

This project conforms the Public/Private Program Guidelines in that it involves an investment of \$10 million. This project has no cost consideration to the City of Dallas.

Owner

Tenet Hospitals Limited

Jay Krishnaswamy
CEO, Doctors Hospital at White Rock Lake

Staff

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

Map

Attached

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

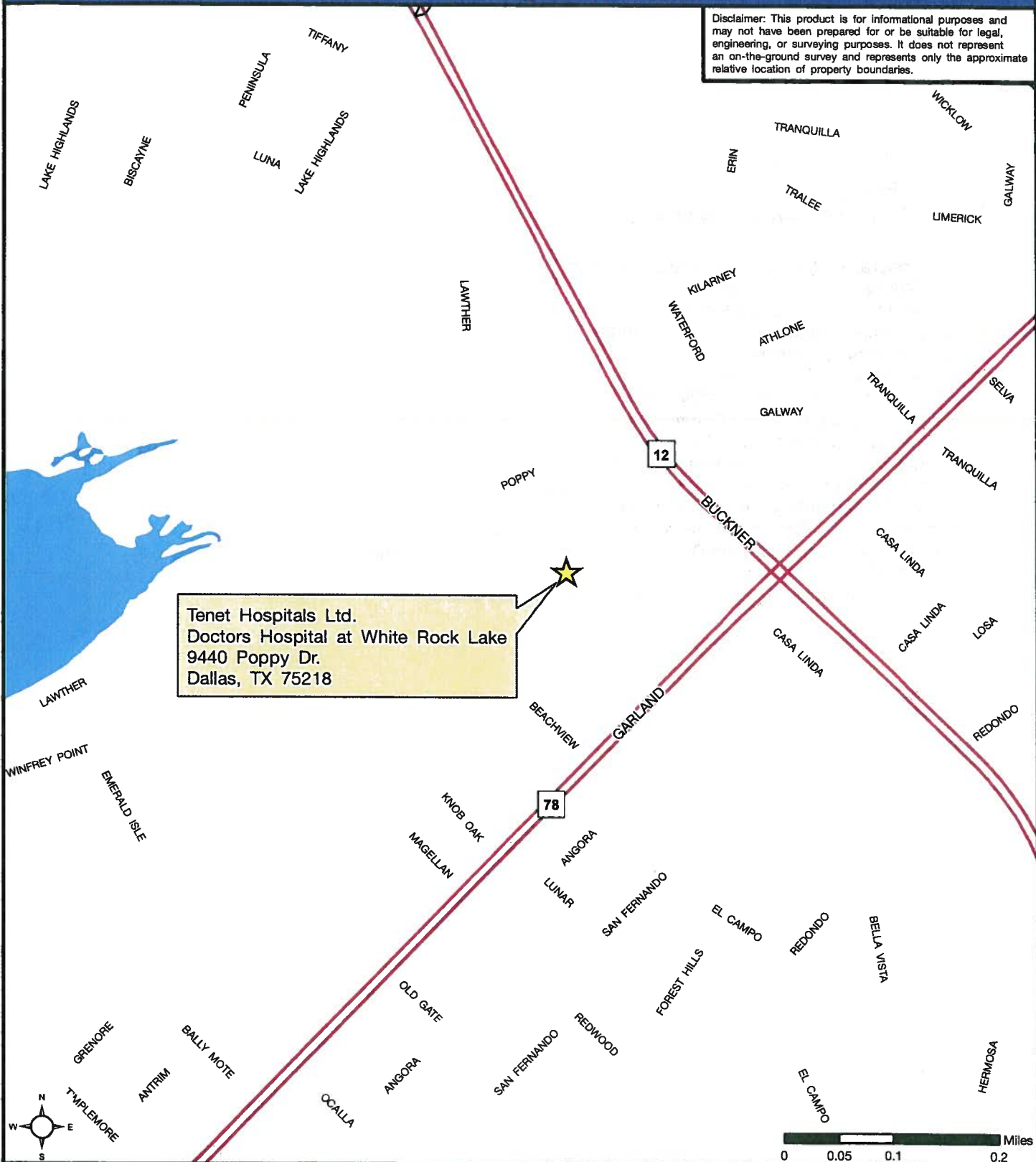


Ryan S. Evans
Interim First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, 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
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Tenet Hospitals Ltd.

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.



Tenet Hospitals Ltd.
 Doctors Hospital at White Rock Lake
 9440 Poppy Dr.
 Dallas, TX 75218

DALLAS
 ECONOMIC
 DEVELOPMENT

Research & Information Division
 214.670.1685
 dallas-ecodev.org

Legend

- Highway
- Arterial

- Local Road
- Lake

Source: City of Dallas, 2014

Created: 1/29/15 11:01:20 AM. Chris O'Brien, Jenet JCG

Memorandum



DATE February 14, 2014

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

SUBJECT **Courtland, LLC – Crow Holdings – Mountain Creek
Council Agenda February 26, 2014**

BACKGROUND

For the past of couple months, city staff has negotiated with representatives of Courtland Group, LLC and Crow Holdings regarding a possible new multi-building industrial/warehouse development under consideration in Mountain Creek Business Park just east of the intersection of Grady Niblo Road and Mountain Creek Parkway in Dallas, Texas.

Courtland has a site of approximately 87 acres under contract which it proposes to sell to Crow Holdings to allow for the construction of two new, speculative industrial/warehouse buildings. The first building is planned to be 621,920 square feet on 45.41 acres and the second 594,880 square feet on 41.36 acres. The estimated total investment for the new facilities is approximately \$36,500,000. In order to develop this project, Courtland requests City Council consideration of a 10-year, 90 percent real property tax abatement on the added value from the new construction that will be assigned to Crow Holdings. The developers also have requested a development agreement related to the planned extension of Grady Niblo Road east to the development site.

Crow Holdings intends to commence vertical construction of the first building in late 2014. The full project is anticipated to be complete in late 2016. In consideration of the proposed incentives, Courtland / Crow Holdings will invest a minimum of \$30,000,000 in real property improvements. Each building will have a specific real property abatement.

In order to provide tax abatements in support of the project, creating a Reinvestment Zone is required pursuant to state law. A public hearing is necessary for the creation of a Reinvestment Zone.

The cumulative forgone revenue from the proposed 90 percent, ten year real property abatement is \$2,618,145. The 10-year net fiscal impact of the proposed development after incentives is \$461,649. The twenty-year net fiscal impact of the proposed development after incentives is \$3,669,681. This project complies with the Public/Private Program guidelines in that it involves an investment of more than \$1,000,000 at this Southern Sector site.

Owner

Courtland Group, LLC

John Napper, President

Staff

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

Map

Attached

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
A.C. Gonzalez, 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
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Courtland Group, LLC

0 0.1 0.2 0.4 Miles

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.

CAPPELLA PARK
EBENEZER
PATIENCE
TRUTH
POTTERS HOUSE
KINGDOM ESTATES
CLAY ACADEMY
FRAGLES
AMARITAN

Courtland Group, LLC
Dallas, TX 75236

GRADY NIBLO

MERRIFIELD

408



DALLAS
ECONOMIC
DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 1/30/14, 14:01:29, Chris O'Brien_SJI.TCG

Legend

Freeway
Arterial

Local Road

Lake

Source: City of Dallas, 2014

Memorandum



CITY OF DALLAS

DATE February 14, 2014

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

SUBJECT **Summary of FY 2013 Activity in Dallas TIF Districts – TIF Annual Report
Items, February 26, 2014 Council Agenda**

Background

During FY 2013 the eighteen (18) active TIF Districts continued to experience increased activity and success. Growth in property values compared to the base year of the districts was strong. Overall taxable real property value in TIF Districts increased by 14.3% (\$1,082,496,468) from last year compared to a 4.3% increase for the City as a whole. All districts, with the exception of the amended City Center TIF, increased in value over last year with the largest increases in Cypress Waters, 4,673%; Maple-Mockingbird, 41.3%; TOD TIF, 39.0%; and Cityplace, 27.0%.

TIF District property value growth since inception through 2013 is 139.6%. For the seven TIF Districts created between 1988 and 1998, overall value has grown by 168.6%. The State-Thomas TIF officially closed in 2008 and the Cityplace TIF closed at the end of 2012 (the FY 2013 annual report will be the final); however, those districts have had a major economic impact having grown 929.9% and 1382.7%, respectively and are included in ongoing reporting and generate \$7-8 million annually to the City's general fund.

The Sports Arena TIF District, as amended grew 676.6% followed by the Farmers Market TIF District at 378.9% since inception. Newer TIF Districts created after 2005, had an overall value growth of 122.2%. Among those districts that had the highest increases were the Cypress Waters (14,171%); Downtown Connection (281.5%); and the Design District (155.9%) TIF Districts.

Total TIF expenditures or allocations of \$923 million leveraged over \$7 billion in added or anticipated property value in TIF Districts since the inception of each TIF District. For every TIF dollar committed, \$8 was returned in private investment. This return does not include the amount of increased sales tax, hotel/motel taxes and personal property taxes, nor does it include the taxes paid to the various taxing jurisdictions, including the Dallas Independent School District (DISD). Staff estimates the amount of additional taxes paid to DISD for increased property value in Dallas TIF Districts is over \$58 million for the fiscal year 2013.

TIF District Property Value Growth from Inception to 2013

TIF District	Initial (Base)	2012 Taxable Value	2013 Taxable Value	2012 vs 2013 (% Change)	Initial vs 2013 (% Change)
TIF Districts created between 1988-1998					
State-Thomas	\$47,506,802	\$451,881,035	\$489,283,844	8.3%	929.9%
Cityplace	\$45,065,342	\$526,303,335	\$668,182,616	27.0%	1382.7%
Oak Cliff Gateway (Zone A-B)	\$40,097,623	\$139,484,827	\$153,387,385	10.0%	282.5%
Cedars	\$35,300,760	\$75,921,991	\$76,227,853	0.4%	115.9%
City Center (all sub-districts)	\$963,140,606	\$1,281,379,356	\$1,268,844,704	-1.0%	31.7%
Farmers Market	\$27,706,851	\$111,550,734	\$132,692,290	19.0%	378.9%
Sports Arena (all sub-districts)	\$63,739,259	\$454,692,948	\$494,975,808	8.9%	676.6%
Subtotal	\$1,222,557,243	\$3,041,214,226	\$3,283,594,500	8.0%	168.6%
TIF Districts created after 2005					
Design District	\$141,852,062	\$307,057,736	\$363,037,801	18.2%	155.9%
Vickery Meadow	\$161,270,320	\$335,389,570	\$352,072,010	5.0%	118.3%
Southwestern Medical (Zone A-B)	\$67,411,054	\$127,779,825	\$152,408,068	19.3%	126.1%
Downtown Connection (Zone A-B)	\$564,917,317	\$1,747,004,927	\$2,155,282,220	23.4%	281.5%
Deep Ellum (Zone A-B)	\$113,885,770	\$155,879,007	\$169,042,489	8.4%	48.4%
Grand Park South	\$44,850,019	\$42,775,623	\$44,580,824	4.2%	-0.6%
Skillman Corridor	\$335,957,311	\$446,593,109	\$469,102,270	5.0%	39.6%
Fort Worth Avenue	\$86,133,447	\$109,001,080	\$113,795,416	4.4%	32.1%
Davis Garden (Zone A-B)	\$137,834,597	\$139,945,411	\$159,035,176	13.6%	15.4%
TOD TIF (all subdistricts)	\$202,074,521	\$209,963,495	\$291,947,326	39.0%	44.5%
Maple-Mockingbird (Zone A-B)	\$184,005,009	\$179,176,973	\$253,118,069	41.3%	37.6%
Cypress Waters	\$73,383	\$219,395	\$10,472,389	4673.3%	14170.9%
Subtotal	\$2,040,264,810	\$3,800,786,151	\$4,533,894,058	19.3%	122.2%
Total All Districts	\$3,262,822,053	\$6,842,000,377	\$7,817,488,558	14.3%	139.6%

Notes: State-Thomas and Cityplace TIFs have legally expired and no longer officially reporting.
 Districts with Zone A & B reflect original boundary (Zone A) plus accounts added with different base yr (Zone B)
 Sports Arena TIF was amended in May 2012 and includes the Victory Sub-district (reflecting most of the original 1998 boundary) and two new sub-districts that have a longer legal term.
 City Center was amended in 2012 including a new Lamar/West End subdistrict Zone B with 2012 base year.
 Farmers Mkt & Design District TIFs amended in 2013 (changes are not yet reflected for added property with 2013 base year).

Although most new taxable value growth in TIF Districts is captured to fund public improvements in those Districts, there has been some added benefit to the City's general fund. Both State-Thomas and Cityplace Area TIF Districts have expired, are no longer collecting increment, and they are estimated to contribute over \$8 million combined to the City for tax year 2013. Districts created in 2005 and later have varied City participation ranging from 55-90% of total taxes and some have delayed increment collection in the initial years, allowing some new growth into the general fund. Total increment shown below includes both the estimated City contribution and any contributions from other participating taxing jurisdictions. For older TIF districts, there was more participation from other taxing entities whereas those districts created since 2005 have primarily had only City and County participation. Estimates for the prior year 2012, 2013 and projected 2014-2015 increment collection and new general fund revenue is shown below:

Estimated TIF District Increment Collection and Added General Fund Revenue

Tax Year	City Center & Downtown Connection TIFs	Non-Downtown TIFs	Total All Districts
2012 Total Increment	\$12,622,023	\$14,242,937	\$26,864,960
2012 (City) Increment	\$1,006,167	\$8,854,874	\$19,861,042
2012 new City General Fund	\$1,230,764	\$7,808,640	\$9,039,404
2013 Total Increment	\$15,884,758	\$12,459,800	\$28,344,559
2013 (City) Increment	\$13,361,715	\$10,832,800	\$24,194,515
2013 new City General Fund	\$1,749,957	\$10,165,119	\$11,915,076
2014 Projected Total Increment^	\$16,746,904	\$16,947,344	\$33,694,248
2014 Projected (City) Increment	\$14,143,049	\$15,757,484	\$29,900,533
2014 Projected new City Gen. Fund	\$1,871,363	\$10,998,191	\$12,869,555
2015 Projected Total Increment	\$19,699,149	\$24,772,861	\$44,472,010
2015 Projected (City) Increment	\$16,633,983	\$20,871,398	\$37,505,381
2015 Projected new City Gen.Fund	\$2,175,282	\$11,880,190	\$14,055,472

Total increment is estimated TIF collections for all participating taxing jurisdictions.

City Increment is the estimated City contribution to the TIF Funds.

New City General Fund is the estimated added revenue from increased property value above the base value not captured by TIF Funds (includes estimated annual revenue from State-Thomas & Cityplace TIFs, now expired).

Estimates for the prior 2011 tax year based on final values; however, actual collection may vary.

^Decrease in estimated total increment is attributed to older TIFs that will have a reduction/elimination in participation by other taxing entities.

TIF Districts have also been catalysts for improving the real estate market in areas that were lagging, drawing new residents into the City's core and DART station areas, and creating new mixed-use neighborhoods. As of FY 2013, approximately 20,768 new residential units were completed in the City's nineteen TIF Districts (including State-Thomas and Cityplace), an additional 6,439 are under construction, and another 6,706 units are planned. Over 6.8 million square feet of new or redeveloped retail, office, and other commercial space has been completed. Over 1 million square feet of commercial space is under construction and another 4.8 million square feet of space is planned. New hotel construction includes 3,277 completed rooms, 306 under construction and another 951 rooms are planned.

During FY 2013, 273 total multi-family units were demolished in the Skillman Corridor TIF District as part of the redevelopment of the former White Rock/Toscana apartment complexes.

The following table summarizes new development in downtown and non-downtown TIF Districts. The two downtown TIFs, City Center and Downtown Connection, comprised 21% of constructed or planned residential units, 30% of commercial space and 73% of completed or planned hotel rooms.

New Residential and Commercial Development in TIF Districts

Development	City Center & Downtown Connection TIFs	Non-Downtown TIFs	Total All Districts
Residential Units			
Completed	5,679	15,089	20,768
Under Construction	1,232	5,207	6,439
Planned	272	6,434	6,706
Resid. Total	7,183	26,730	33,913
Commercial (retail, office, other com.) Square Footage			
Completed	2,525,400	4,307,982	6,833,382
Under Construction	707,221	375,666	1,082,887
Planned	552,440	4,219,078	4,771,518
Com. Total	3,785,061	8,902,726	12,687,787
Hotel Rooms			
Completed	2,823	454	3,277
Under Construction	306	0	306
Planned	171	780	951
Hotel Total	3,300	1,234	4,534

Construction activity in TIF Districts is on-going. Major TIF-related projects that completed construction in FY 2013, with a combined value of nearly \$509

million are shown in the following table and took place in several districts. City Council also authorized development agreements for 14 new development projects in the City's eighteen TIF Districts. These anticipated projects will have an estimated value of \$549 million at completion.

Major TIF-Related Projects Completed in FY 2013

Project	District	Description	Value^	TIF Investment
Completed in FY 2013				
1025 Elm	City Center	130 hotel rooms	\$20,000,000	\$0
Alta West Davis Apartments	Davis Garden	207 resid. Units	\$14,327,260	\$0
Hillside West senior housing	Davis Garden	130 resid. Units (all affordable)	\$8,500,000	\$1,600,000
Avant Apartments	Design District	301 resid. Units	\$34,978,458	\$0
Continental Building	Downtown Connection	199 resid. Units; 5,000 sf retail	\$46,000,000	\$18,305,700
Atmos Complex Ph I	Downtown Connection	107 resid. Units	\$16,100,000	\$3,250,000
Joule Hotel Expansion (amended)	Downtown Connection	32 hotel rooms; 24,700 sf retail; 9,221 sf office	\$107,222,000	\$23,852,953
Museum Tower	Downtown Connection	122 resid. Units	\$153,822,590	\$0
Residences at Stoneleigh	Downtown Connection	75 resid. Units	\$28,482,280	\$0
Southwestern Apartments by Greystar	Maple Mockingbird	359 resid. Units	\$42,000,000	\$0
TRC's Maple Multifamily	Maple Mockingbird	343 resid. Units	\$23,552,230	\$0
White Rock Place	Skillman Corridor	17 resid. lots (new single family homes)	\$14,000,000	\$2,372,000

Major TIF-Related Projects Approved in FY 2013

Project	District	Description	Value^	TIF Investment
Approved in FY 2013				
Plaza Hotel	Cedars	220 hotel rooms; 1,800 sf commercial space	\$34,085,071	\$2,285,071
Fairfield Residences @ West End	City Center	278 resid. Units	\$44,264,938	\$5,500,000
Liberty State Bank Relocation Project	City Center	2,000 sf retail; 2,000 sf office	\$2,520,800	\$985,000
Purse & Co. Lofts	City Center	40 resid. Units; 14,440 sf retail	\$14,867,948	\$2,800,000
211 N. Ervay	City Center	144,000 sf office; 22,000 sf retail	\$13,458,630	\$2,000,000
Cypress Waters Ph 2	Cypress Water	Multi-phased office projects totaling 1 million sf.	\$90,800,000	\$6,522,398
Dallas Proton Treatment Center	Design District	115,000 sf medical office (cancer treatment facility)	\$29,000,000	\$7,025,000
500 S. Ervay	Downtown Connection	274 hotel rooms; 238 resid. Units; 29,400 sf retail	\$77,200,000	\$5,000,000
LTV Building	Downtown Connection	171 hotel rooms; 186 resid. Units	\$93,950,108	\$30,370,000
Farmers Market Redevelopment	Farmers Market	Infrastructure/demo for Shed 1 & 2 market; Shed 3 & 4 future mixed use development	\$65,000,000	\$13,335,331
Alexan Trinity	Oak Cliff Gateway	167 resid. Units	\$18,000,000	\$4,000,000
Maple Station Project	Maple Mockingbird	249 resid. Units	\$36,200,000	\$8,000,000
White Rock Trail Apartments	Skillman Corridor	370 resid. Units	\$30,000,000	\$4,000,000

^Values reflect current DCAD market value for completed projects or estimated value for those planned .

State law requires the preparation of an annual report for each TIF District that summarizes the activities of each area. The state requirements for this report are minimal. In order to better explain the progress of each TIF District, staff has created a report that shows additional information. The reports include the following information:

- Mission Statement for the TIF District
- Accomplishments to Date
- Project Status – Type and amount of new development by project including private investment, new residential units, commercial space created, TIF investment, completion (or expected completion) date
- Other District-wide initiatives, where applicable
- Map of the TIF District

- Taxable value and increment revenue summary – what is the captured appraised value for the District and the expected increment collection
- Objectives and Success Indicators for the TIF District
- Summary of City Council actions related to the TIF District
- TIF Project Plan budget status – projected increment revenues to retire TIF fund obligations, expenditures, and the total plan budget
- M/WBE participation in TIF Contracts
- Bond sales and repayment, where applicable
- FY 2014 Work Program

Sixteen of the TIF District Boards of Directors have met and voted to recommend the annual reports for City Council approval. The Downtown Connection and Grand Park South TIF boards do not currently have the minimum five appointed members to convene a meeting; therefore, the annual reports are being forwarded without a board recommendation. State law does not require that the board approve the report prior to City Council. The Annual Reports, upon adoption by City Council, will be submitted to the other taxing jurisdictions participating financially in each District and to the State Comptroller.

Financing

No cost consideration to the City.

Staff recommends City Council approval of all the TIF Annual Reports. 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
A.C. Gonzalez, 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
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Major TIF-Related Projects Completed or Approved in FY 2013

Project	District	Description	Value^	TIF Investment
Completed in FY 2013				
1025 Elm	City Center	130 hotel rooms	\$20,000,000	\$0
Alta West Davis Apartments	Davis Garden	207 resid. Units	\$14,327,260	\$0
Hillside West senior housing	Davis Garden	130 resid. Units (all affordable)	\$8,500,000	\$1,600,000
Avant Apartments	Design District	301 resid. Units	\$34,978,458	\$0
Continental Building	Downtown Connection	199 resid. Units; 5,000 sf retail	\$46,000,000	\$18,305,700
Atmos Complex Ph I	Downtown Connection	107 resid. Units	\$16,100,000	\$3,250,000
Joule Hotel Expansion (amended)	Downtown Connection	32 hotel rooms; 24,700 sf retail; 9,221 sf office	\$107,222,000	\$23,852,953
Museum Tower	Downtown Connection	122 resid. Units	\$153,822,590	\$0
Residences at Stoneleigh	Downtown Connection	75 resid. Units	\$28,482,280	\$0
Southwestern Apartments by Greystar	Maple Mockingbird	359 resid. Units	\$42,000,000	\$0
TRC's Maple Multifamily	Maple Mockingbird	343 resid. Units	\$23,552,230	\$0
White Rock Place	Skillman Corridor	17 resid. lots (new single family homes)	\$14,000,000	\$2,372,000
Approved in FY 2013				
Plaza Hotel	Cedars	220 hotel rooms; 1,800 sf commercial space	\$34,085,071	\$2,285,071
Fairfield Residences @ West End	City Center	278 resid. Units	\$44,264,938	\$5,500,000
Liberty State Bank Relocation Project	City Center	2,000 sf retail; 2,000 sf office	\$2,520,800	\$985,000
Purse & Co. Lofts	City Center	40 resid. Units; 14,440 sf retail	\$14,867,948	\$2,800,000
211 N. Ervay	City Center	144,000 sf office; 22,000 sf retail	\$13,458,630	\$2,000,000
Cypress Waters Ph 2	Cypress Water	Multi-phased office projects totaling 1million sf.	\$90,800,000	\$6,522,398
Dallas Proton Treatment Center	Design District	115,000 sf medical office (cancer treatment facility)	\$29,000,000	\$7,025,000
500 S. Ervay	Downtown Connection	274 hotel rooms; 238 resid. Units; 29,400 sf retail	\$77,200,000	\$5,000,000
LTV Building	Downtown Connection	171 hotel rooms; 186 resid. Units	\$93,950,108	\$30,370,000
Farmers Market Redevelopment	Farmers Market	Infrastructure/demo for Shed 1 & 2 market; Shed 3 & 4 future mixed use development	\$65,000,000	\$13,335,331
Alexan Trinity	Oak Cliff Gateway	167 resid. Units	\$18,000,000	\$4,000,000
Maple Station Project	Maple Mockingbird	249 resid. Units	\$36,200,000	\$8,000,000
White Rock Trail Apartments	Skillman Corridor	370 resid. Units	\$30,000,000	\$4,000,000

^Values reflect current DCAD market value for completed projects or estimated value for those planned ,

Memorandum



CITY OF DALLAS

DATE February 14, 2014

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

SUBJECT Upcoming February 26, 2014 Agenda Item: A resolution requesting the City of Dallas consent to proposed changes in the Section 380 Agreement between the City of Irving and Aviall Services, Inc.

The Dallas/ Fort Worth International Airport ("Airport") requests that the Cities of Dallas and Fort Worth consider proposed changes to the Section 380 Agreement between the City of Irving and Aviall Services, Inc. The City of Irving requests the change so they may extend the Freeport Tax Exemption to Aviall Services, Inc. ("Aviall") who plans on relocating business to Airport property.

The City of Dallas entered into an inter-local agreement with the Cities of Irving and Fort Worth on December 21, 1998 to share revenue generated on Airport Property within City of Irving limits. One half of the revenue belongs to the City of Irving, the other half belongs to Cities of Dallas and Fort Worth. Dallas and Fort Worth split their half following their original contributions to the Airport with Dallas receiving 7/11ths and Fort Worth receiving 4/11ths. The inter-local agreement requires that any Section 380 Agreement on Airport property or changes to such an agreement must be approved by the Owner Cities.

On August 24, 2011 the City Councils of Dallas and Fort Worth agreed to allow the City of Irving enter into a Section 380 Agreement and extend a tax incentive to Aviall to bring part of their inventory on to airport property. On November 5, 2013 Proposition 3 passed on the Texas Constitutional Amendment Election allowing the Freeport Tax Exemption of aircraft inventory parts to be extended to 730 days from 150 days.

The City of Irving now wishes to amend the 380 Agreement with Aviall to extend the Freeport Exemption to reflect the change in the Texas Constitution. In consideration of this tax incentive, Aviall has agreed to move their entire inventory of aircraft parts onto Airport property and bring about 340 jobs to the North Texas area.

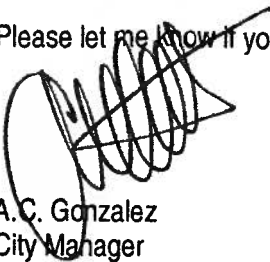
Additionally, with the inventory receiving a tax exemption, Aviall agrees to pay 3.5% of personal property tax (based on tax year 2013) in addition to the appraised property tax through tax year 2021. The following table details the amounts to be paid to the cities:

Tax Year	Tax Amount (\$)	To Irving (\$)	To Dallas (\$)	To Fort Worth (\$)
2013	485,913	161,971.00	206,144.91	117,797.09
2014	502,920	167,639.99	213,359.98	121,919.99

2015	520,522	173,507.38	220,827.58	126,187.19
2016	538,740	179,580.14	228,556.55	130,603.74
2017	557,596	185,865.45	236,556.02	135,174.87
2018	577,112	192,370.74	244,835.49	139,905.99
2019	597,311	199,103.71	253,404.73	144,802.70
2020	618,217	206,072.34	262,273.89	149,870.80
2021	639,855	213,248.88	271,453.48	155,116.27
Totals:	5,038,137	1,679,395.63	2,137,412.63	1,221,378.64

The City of Dallas will receive a sizeable contribution from the additional Aviall business. The resolution consenting to the proposed changes in the Section 380 agreement with Aviall will be on the February 26th, 2014 City Council Agenda.

Please let me know if you have any questions or require additional information.



A.C. Gonzalez
City Manager

- c: Warren M. S. Ernst, City Attorney
- Judge Daniel F. Solis, Administrative Judge
- Rosa A. Rios, City Secretary
- Craig D. Kinton, City Auditor
- Ryan S. Evans, Interim First Assistant City Manager
- 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