

# Memorandum



DATE April 17, 2015

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

SUBJECT **Amendments to the Chapter 380 Grant II agreement with Bishop Arts LLC for the Bishop Arts Phase I project (Oak Cliff Gateway TIF District)**

On April 22, 2015, City Council will consider amendments to the Chapter 380 grant agreement ("Grant II") with Bishop Arts LLC for the Bishop Arts Phase I project, previously approved on December 10, 2014 and amended on February 25, 2015.

In the course of working to execute the agreements, the developer has requested further accommodations to the Grant II agreement that affect the City's lien position as well as the City's ability to enforce its lien or to secure performance of the Mixed Income Housing requirements.

As part of the first amendments to Grant II, Bishop Arts LLC agreed to comply with the City's Mixed-Income Housing Requirements and, in lieu of deed restrictions, the developer offered the City a second lien securing performance subordinated only to the construction loan on the project site. During the affordability period Bishop Arts LLC would be required to record deed restrictions approved as to form by the City Attorney at least five days before the property is sold to another entity or before a construction loan is refinanced. If the deed restriction is recorded during the affordability period, the city's lien will be released.

This item further subordinates the City's lien position to all construction loans and provides that the City will record its lien concurrently with Grant II disbursement and after construction costs of \$30 million have been expended. Accordingly, the City's lien position could be further subordinated to mechanics and materialmen liens and other liens that are not paid by the developer during construction. This item therefore requires the developer to 1) pay off such liens, after a 30-day notice and opportunity to cure period; or 2) if such liens are not paid off, record deed restrictions to secure compliance with the Mixed Income Housing Guidelines. Grant II funds will not be disbursed until City has verified its lien position. If additional liens arise after the City has disbursed the Grant II funds and developer fails, after a 30-day notice and opportunity to cure period, to cure those liens, developer must record deed restrictions to secure compliance with the Mixed Income Housing Guidelines during the remaining affordability period.

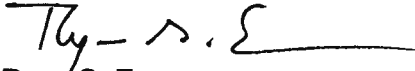
The TIF development agreement is unaffected by this change. The TIF development agreement and the Grant II agreement are not cross-defaulted, and the Grant II funds are not subject to recapture.

Under Resolution No. 10-3039 approved on December 8, 2010, the city paid a \$2 million Chapter 380 economic development grant ("Grant I") to Bishop Arts Village LLC for property assembly related to this first phase of development in the Bishop Arts area. The City holds a first lien secured by a deed of trust on collateral property owned by the developer but this first lien will be released once the Grant II agreement is executed and construction begins.

The proposed project includes approximately 218 rental residential units; 20,000 square feet of retail, restaurant and/or other commercial space; related parking; and sidewalk and landscape improvements directly adjacent to the project. As this is the first project in the Bishop/Jefferson Sub-

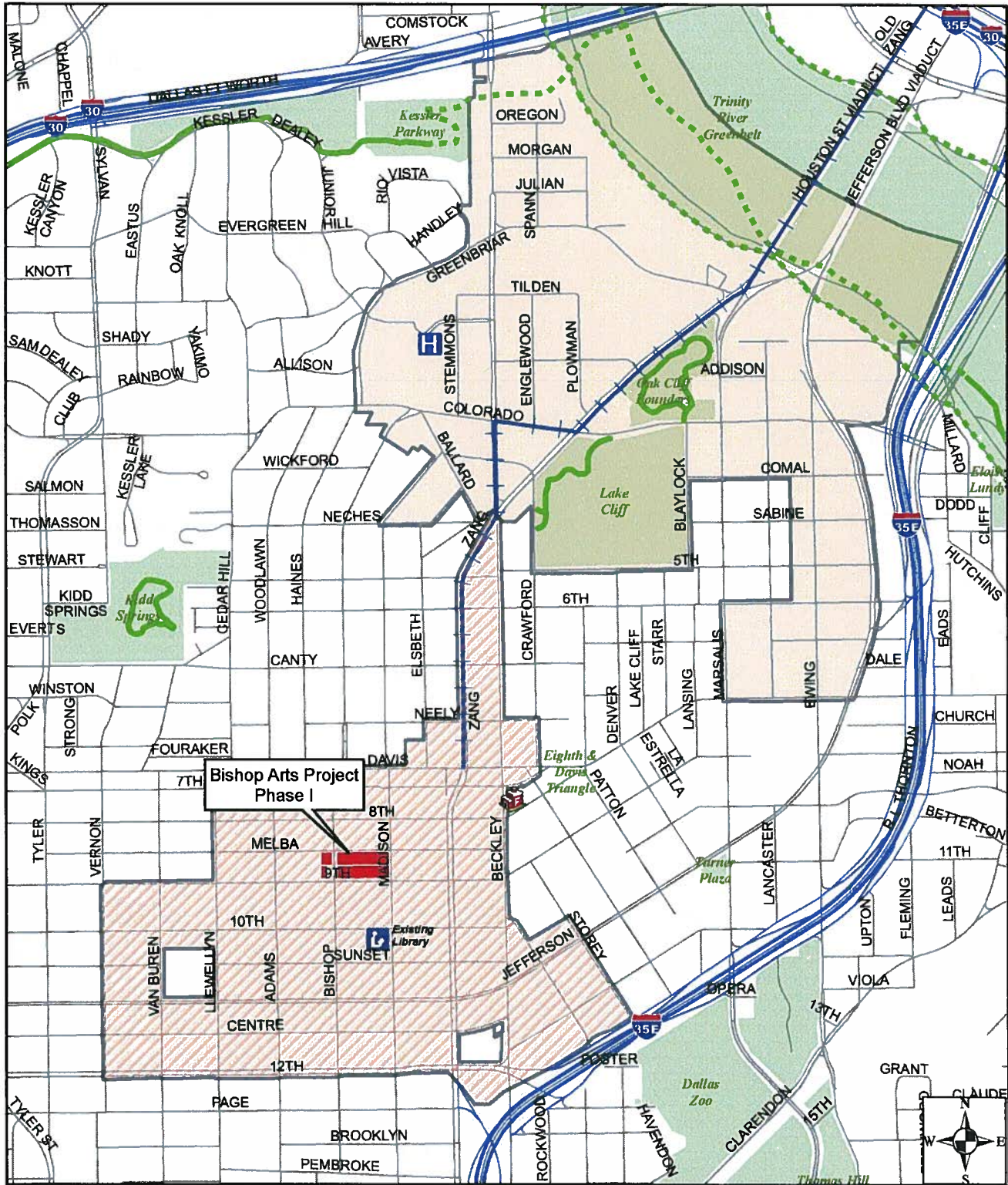
district as part of the recent expansion of the Oak Cliff Gateway TIF District, it is hoped that this project will catalyze new development in this portion of Oak Cliff.

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



Ryan S. Evans  
First Assistant City Manager

C:   The Honorable Mayor and Members of the City Council   Mark McDaniel, Assistant City Manager  
          A.C. Gonzalez, City Manager                                    Joey Zapata, Assistant City Manager  
          Warren M.S. Ernst, City Attorney                            Jeanne Chipperfield, Chief Financial Officer  
          Craig D. Kinton, City Auditor                                Sana Syed, Public Information Officer  
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          Eric D. Campbell, Assistant City Manager                    Elsa Cantu, Assistant to the City Manager – Mayor & Council  
          Jill A. Jordan, P.E., Assistant City Manager



**Bishop Arts Project Ph I**  
**Oak Cliff Gateway**  
 April 22, 2015

0 0.1 0.2 0.4 Miles

-  Police Stations
-  Fire Stations
-  Oak Cliff Trolley
-  Parks
-  Existing Trails
-  Future Trails
-  Oak Cliff Gateway Sub-district
-  Bishop/Jefferson Sub-district

# Memorandum



DATE April 17, 2015

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

SUBJECT **DalParc I-20 Logistics Phase I Project**

On May 13, 2015, the City Council will be asked to consider authorization of a ten-year real property tax abatement of 90 percent and an economic development grant in an amount not to exceed \$312,000 with DalParc I-20 Logistics, LLC related to the development of a speculative industrial/warehouse facility within the Ridge Logistic Center in South Dallas.

For the past several months, City staff has negotiated with VanTrust Real Estate, LLC ("VanTrust") regarding construction of a speculative industrial/warehouse facility of at least 900,000 square feet on approximately 44 acres located south of Altamoores, north of Balmorhea and west of Dallas Avenue in Dallas, Texas within the Ridge Logistic Center in Southern Dallas. VanTrust will develop this project through a single purpose entity called DalParc I-20 Logistics, LLC ("DalParc I-20"). The new facility is a first phase of a multi-phase development which will encompass a total of approximately 2.1 million square feet of industrial/warehouse space on 127 acres within the City of Dallas. An additional 31 acres within the City of Lancaster adjacent to this site is considered for another 300,000 square feet of new development.

VanTrust is a full-service real estate development company with a regional focus and national scope. VanTrust is headquartered in Kansas City, Missouri with regional offices in Columbus, Dallas, Houston and Phoenix. The company's real estate assets include office, industrial, multifamily, retail, institutional, governmental, hospitality and recreational.

DalParc I-20 requests City Council consideration of 90 percent real property tax abatement for 10 years and an economic development grant in an amount not to exceed \$312,000. The economic development grant will help offset a portion of \$624,000 in project infrastructure costs associated with wastewater and regional detention ponds. To receive the proposed incentives, DalParc I-20 is required to spend a minimum of \$22,500,000 constructing the 900,000 square foot facility with substantial completion by December 31, 2016. Additionally, DalParc I-20 must have at least 75 percent of the facility leased and occupied in order to receive the tax abatement. If the required space is not occupied during a given year within the 10 year tax abatement period commencing January 1, 2017, the abatement is lost for that year. Furthermore, DalParc I-20 will forfeit the real property tax abatement and the economic development grant if it fails to reach the minimum investment by December 31, 2016.

In order to provide the tax abatement at this location, staff recommends the creation of City of Dallas Neighborhood Empowerment Zone No. 2. Neighborhood Empowerment Zones (NEZs)

are designated areas where municipalities can offer economic incentives that promote investment and redevelopment. According to the Texas Local Government Code (Chapter 378), an NEZ must be created for at least one (1) of the following purposes: the creation and rehabilitation of affordable housing (including manufactured housing); economic development opportunities; or an increase in the quality of social services, education, or public safety.

The forgone revenue from the proposed 90 percent, ten year real property abatement is \$1,613,925. The proposed agreement after incentives are applied is estimated to result in a 10-year net fiscal impact of \$2,457,596. The estimated twenty-year net fiscal impact of the proposed development after incentives is \$8,828,428.

This proposed project conforms to minimum eligibility criteria for the City's Public/Private Partnership Program Guidelines and Criteria as it has a private investment exceeding \$1 million. Staff recommends the proposed incentives be approved.

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

## Proposed Project Information Worksheet Economic Development Committee

### A. Project Summary

<b>City Council District</b>	8	
<b>Project/Company Name</b>	DalParc I-20 Logistics Phase I	
<b>Project Location</b>	Located south of Altamoor, north of Balmorhea and west of Dallas Avenue in Dallas, Texas	
<b>Project Type</b>	Spec Distribution/Warehouse facility	
<b>Facilities (Square Feet)</b>	900,000 Minimum	
<b>Construction Schedule</b>	Begin	September 2015
	Complete	December 31, 2016
<b>Private Improvement</b>	Real Property	\$22,500,000
	Business Property	
<b>Jobs</b>	Created	0
	Retained	0
<b>Average Wage Rate</b>	Salary	\$0
	Hourly	N/A
<b>City Incentive Summary</b>	Tax Abatement	90%/10 Years
	Infrastructure	N/A
	Other - Grant	\$312,000

### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	0	\$199,077,963	0	\$459,062,570
Indirect and Induced Impact*	0	\$159,262,371	0	\$367,250,056
<b>Total Impact</b>	<b>0</b>	<b>\$358,340,334</b>	<b>0</b>	<b>\$826,312,626</b>

### C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$7,971,833	\$18,251,552
Total City GF Service Costs	\$3,466,925	\$7,142,425
Net Impact Before Incentives	\$4,504,908	\$11,109,127
City Incentives	\$2,047,312	\$2,280,699
<b>Net City Fiscal Impact</b>	<b>\$2,457,596</b>	<b>\$8,828,428</b>

\* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

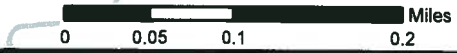
### D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue

	Property Taxes	Sales Taxes
DISD	\$ 2,884,500	N/A
Dallas County	\$ 546,975	N/A
DCCCD	\$ 280,744	N/A
Parkland Hospital	\$ 643,500	N/A
DART	-	N/A



# DalParc I-20 Logistics Phase I

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  
Research & Information Division  
214.670.1685  
dallas-ecodev.org

## Legend

- Highway
- Arterial

- Local Road
- City of Dallas

# City of Dallas Neighborhood Empowerment Zone No.2

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## Legend

- Highway
- Arterial

- Local Road
- City of Dallas

Source: City of Dallas, 2015

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# Memorandum



DATE April 17, 2015

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

SUBJECT **211 North Ervay Redevelopment Project Deadline Extension (City Center TIF District) – May 13, 2015**

On June 12, 2013, City Council approved Resolution No. 13-0989 authorizing a development agreement with Alterra 211 N. Ervay, LLC for redevelopment of the building addressed as 211 N. Ervay and dedicated TIF funding in amount not to exceed \$2,000,000 for the redevelopment project. The project includes restoration of the building's historic façade, renovation of the vacant building's office space, ground floor retail/restaurant space and completion of streetscape improvements.

Since City Council's approval, Alterra 211 N. Ervay, LLC has invested over \$13M in the redevelopment project to date. Alterra completed environmental abatement, interior demolition and façade restoration by April 2013, executed State Historic Tax Credit purchase agreement with TCF HTC Fund, LLC in May 2014 and executed Federal Historic Tax Credit investment with Sherwin Williams on June 30, 2014. Currently the building is 50% leased.

In January of this year City Council approved an amendment to the Central Business District Vehicle Circulation Plan, downtown's thoroughfare plan, to reduce Elm Street from Houston Street to Cesar Chavez Boulevard from a five lane one-way westbound street to a four lane one-way westbound street. This change shifts the dedicated DART bus lane on Elm Street over one lane to south. The vacated bus lane will allow property owners on the north side of Elm Street to widen their sidewalks creating an enhanced pedestrian environment, and in some areas create loading and valet space.

The developer is requesting an extension of the project's completion deadline from July 31, 2014 to December 31, 2016. This extension will allow the developer to design and construct public infrastructure (streetscape) improvements that take advantage of the reduction in travel lanes on Elm Street and tenant the ground floor of the building.

## MAP

Attached

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

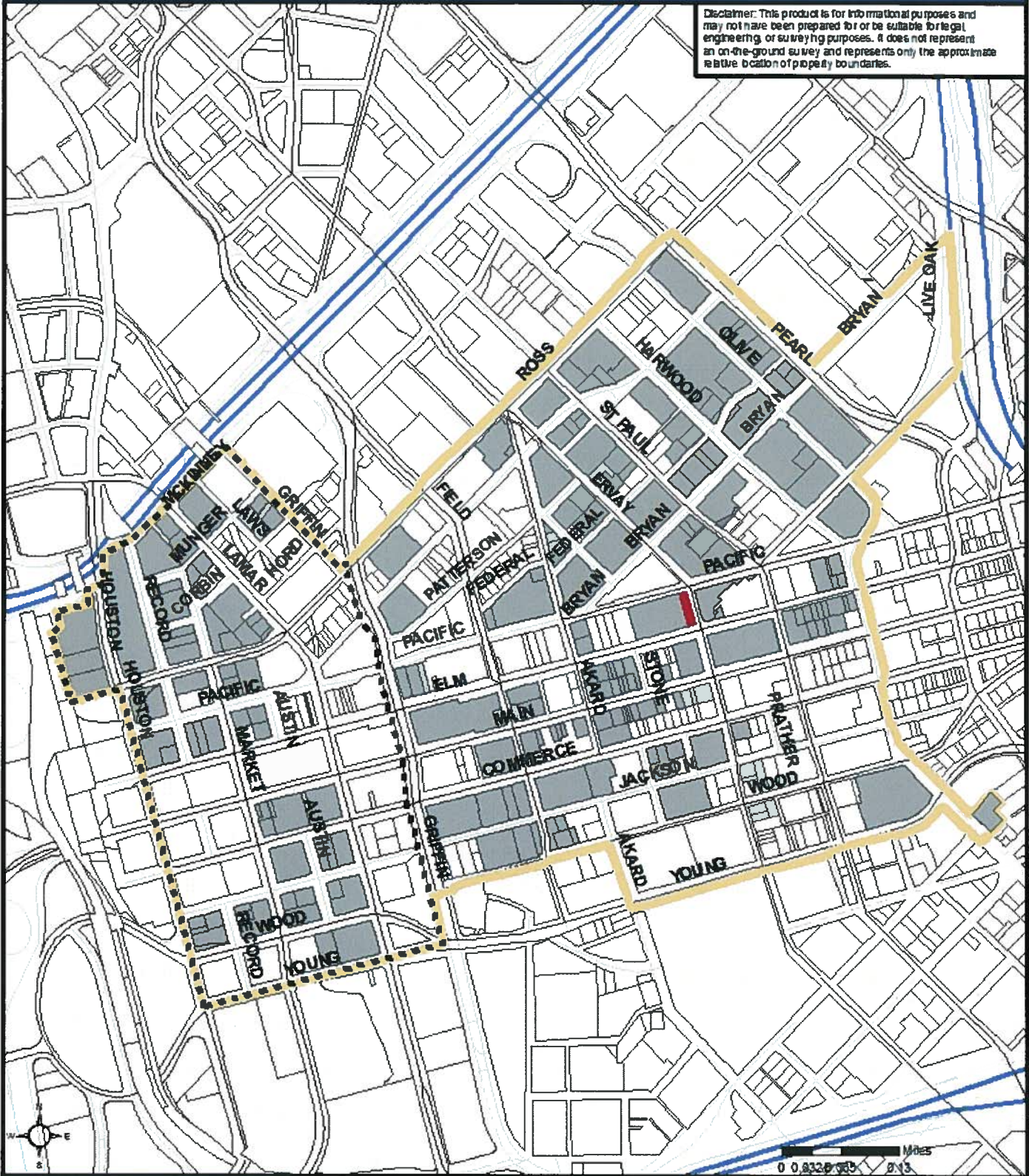
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First Assistant City Manager

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# 211 N. Ervay Location Map

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 Area Redevelopment Division  
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**Legend**

- City Center TIF District Boundary
- Lamar Corridor/West End Sub-District
- 211 N. Ervay

# Memorandum



DATE April 17, 2015

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

SUBJECT **Transportation for Hire Regulation at Dallas Love Field**

On December 10, 2014, the Dallas City Council authorized an ordinance amending Chapter 5 "Aircraft and Airports" of the Dallas City Code to ensure consistency with the new Chapter 47A "Transportation for Hire". The December 10<sup>th</sup> ordinance amendment increased the registration fee from \$200 to \$325 annually; increased the decal fee from \$10 to \$15 per vehicle; and set a flat per trip fee of \$2.50 for all ground transportation vehicles.

Effective April 30<sup>th</sup>, Transportation Network Companies (TNC) such as Uber and Lyft will be permitted to pick up prearranged fares at Dallas Love Field. The designated pick up location for TNCs (non-limousine) at Love Field will be on the lower level roadway consistent with all other ground transportation (taxis, limousines, shared ride shuttles and courtesy vehicle) pickup. A map is attached for your review. The upper level will remain free for regular passenger pick up/drop off.

On April 22, 2015, the City Council will consider additional amendments to Chapter 5, "Aircraft and Airports" that will streamline the registration process for Transportation for Hire operators that will also go into effect on April 30<sup>th</sup>, if approved. The proposed amendments will:

- authorize transportation-for-hire vehicles permitted by the City of Dallas to operate at Love Field without registering separately with the airport;
- eliminate the registration fee for ground transportation at Dallas Love Field; and
- eliminate the decal fee for vehicles operating at Dallas Love Field that are permitted by the City of Dallas.

Courtesy vehicles that are not currently register with the City, but operate solely at Love Field will still register with the airport. They will be responsible for displaying the airport's decal and paying the decal and per trip fee.

One of the many responsibilities of the airport is to monitor vehicles that operate on property, in order to ensure a safe operation and provide quality service to airport visitors. The registration process is used to keep airport management informed of ground transportation companies and drivers operating at the airport.

Ground transportation vehicles contribute greatly to traffic congestion that exists on the airport's limited roadways. Traffic management is a group effort coordinated by the Ground Transportation Division, Dallas Police Department and the Taxi Starter Contractor. Trip fees help to recover associated costs of managing Ground Transportation at Dallas Love Field and also serve to encourage ground transportation operators to use the roadways only when they have a confirmed pick up. Trip fees will be collected using toll tag technology or an alternative method approved by the Department of Aviation.

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Ryan S. Evans  
First Assistant City Manager

#### Attachment

















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Forest E. Turner, Chief Wellness Officer  
Sana Syed, Public Information Officer  
Mark Duebner, Director of Aviation  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# GROUND TRANSPORTATION INFORMATION

UPPER LEVEL -  
PASSENGER VEHICLES

LOWER LEVEL -  
COMMERCIAL VEHICLES & PARKING

-  Information Desk
-  You Are Here
-  Restrooms
-  Severe Weather Area
-  Rental Car Counter
-  Transportation Network Companies
-  Taxis
-  Shared Ride Shuttles
-  Limousines
-  Rental Car Shuttles
-  Hotel/Parking Shuttles Drop Off
-  Upper Roadway
-  Lower Roadway
-  Pay Phones
-  ATM
-  High End Vending Machines

