

# Memorandum

RECEIVED

2014 OCT -2 PM 2: 22

CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

DATE October 3, 2014

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, October 6, 2014, 9:00 – 10:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

## AGENDA

1. Approval of September 15, 2014 Minutes of the Economic Development Committee
2. City Center TIF District  
Plan Amendment/Thanksgiving Tower Project  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
3. Trinity Groves Mixed-use Project  
Sports Arena TIF District  
Karl Zavitkovsky, Director  
Office of Economic Development  
**(Estimated time 20 minutes)**
4. Upcoming agenda items:
  - Amendments to Resolution No. 13-1711 which Authorized TIF Funding for the Plaza Hotel Project (Cedars TIF District)
  - Business Assistant Center (BAC) Contracts
  - 5 Year Acquisition Contract, and Service Contract to establish a Master Agreement for Purchase of additional Licenses, maintenance and support of existing POSSE Land Management System.
  - Andrews Building Services Agenda Item – October 22, 2014



Tennell Atkins, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Ryan S. Evans, First Assistant City Manager  
Warren M.S. Emst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

**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 September 15, 2014

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:** September 15, 2014      **Meeting Start time:** 9:09 AM

**Committee Members Present:**

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

**Staff Present:**

Ryan Evans, First Assistant City Manager,  
City Manager Office  
Karl Zavitkovsky, Director, Office of Economic  
Development  
Karl Stundins Manager, Office of Economic  
Development

**Other Council Members Present:**

**Other Presenters:**

**1. Approval of August 18, 2014 Minutes of the Economic Development Committee**

**Presenter(s):**

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

**Motion made by:** Mr. Kleinman

**Motion seconded by:** Mr. Callahan

Item passed unanimously:  X

Item passed on a divided vote:      

Item failed unanimously:      

Item failed on a divided vote:      

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

**2. Deep Ellum Crossroads Redevelopment Project – Deep Ellum TIF District**

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

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

**Motion made by:** Mr. Allen

**Motion seconded by:** Mr. Callahan

Item passed unanimously:  X

Item passed on a divided vote:      

Item failed unanimously:      

Item failed on a divided vote:      

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

**3. Upcoming Items**

**World Affairs Contract Renewal**

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

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

**Motion made by:** Mr. Allen

**Motion seconded by:** Mr. Medrano

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: 9:31 AM**

**Approved By: \_\_\_\_\_**

# Memorandum



DATE October 3, 2014

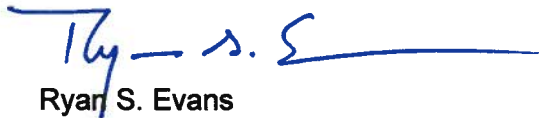
TO Members of the Economic Development Committee: Tennell Atkins (Chair),  
Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **City Center TIF District Plan Amendment/Thanksgiving Tower Project**

On Monday, October 6, 2014 the Economic Development Committee will be briefed City Center TIF District Plan Amendment and Thanksgiving Tower Project – City Center TIF District.

Briefing material is attached.

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  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

**City Center TIF District**  
*Plan Amendment /Thanksgiving Tower Project*

Economic Development Committee  
October 6, 2014

# Purpose

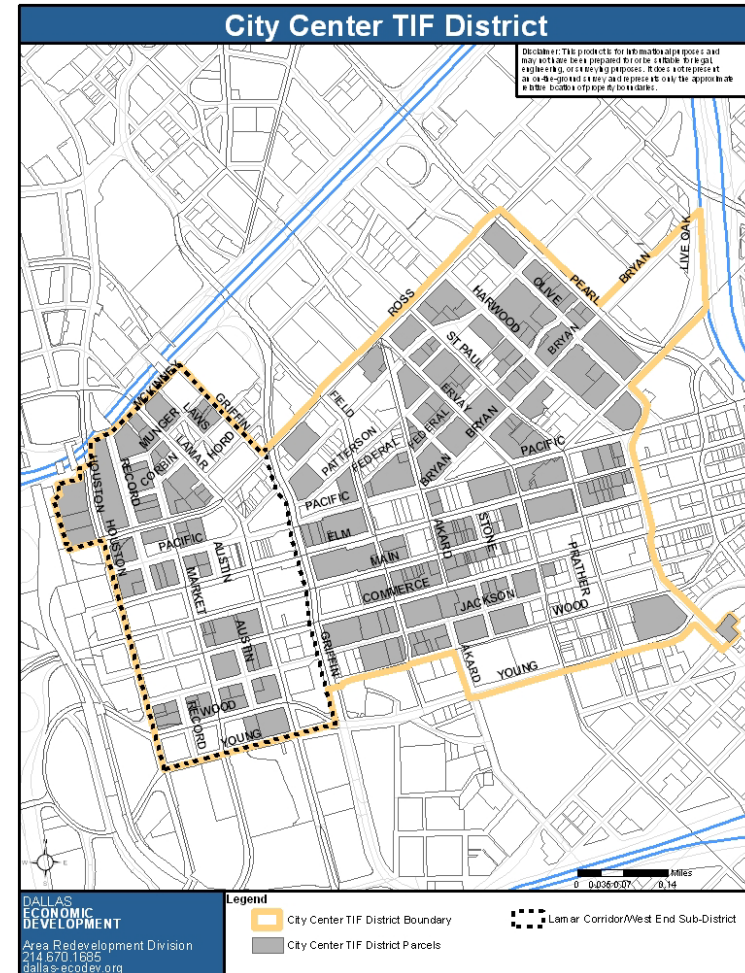
---

- Provide background information on City Center TIF District
- Review proposed TIF District/Plan Amendment
- Review the Thanksgiving Tower Project
- Obtain Economic Development Committee's approval for City Council consideration of the following:
  - Call a Public Hearing on October 22<sup>nd</sup> to Amend the TIF District
  - Conduct the Public Hearing on November 12<sup>th</sup> and consider amendments
  - Thanksgiving Tower Project Incentives on November 12<sup>th</sup>

# City Center TIF District

## Background – 2012 Amendments

- Created to develop an attractive, sustainable urban core and reimburse costs of public improvements and redevelopment of vacant or underutilized buildings downtown
- District was amended December 2012 to:
  - Extend District's Boundary to the West End area, creating two sub-districts
    - City Center Sub-district – original district boundary (solid yellow line)
    - Lamar Corridor/West End Sub-district – approximately 27 acres; encompasses properties along the Lamar Corridor and properties in the Historic West End area (black dashed line)
  - Extend Term of District
    - City Center Sub-district – 12/31/2012 to 12/31/2022 (10 yrs)
    - Lamar Corridor/West End Sub-district – 12/31/2012 to 12/31/2037 (25 year term)
  - Decrease City Participation Rate from 90% to 80%
  - Establish Dallas County's Participation Rate and term – 45% for 5 years





# City Center TIF District

## *Background – 2012 Amendments (Continued)*

- Increase District's Budget
  - \$87.6M to \$152M
- The increased budget:
  - Provides a source of funding to stimulate redevelopment of the Lamar Corridor and Historic West End area
  - Provides a source of funding to accomplish recommendations of the Downtown Dallas 360 Area Plan, that wouldn't otherwise be funded
  - Provides a source of funding to fill in redevelopment gaps in the downtown core

City Center TIF District Projected Increment Revenues to Retire TIF Fund	
Category	TIF Budget
Original City Center TIF Collections**	\$75,696,253
Public Infrastructure Improvements <i>Streetscape Improvements, Pedestrian Linkages, Lighting, Utility Burial, Utility Upgrades</i>	\$8,500,182
Parking	\$5,500,000
Redevelopment/Development Projects <i>Environmental Remediation, Interior &amp; Exterior Demolition, Façade Improvements/Restoration, TIF Grants</i>	\$40,972,111
District Wide Improvements	\$4,000,000
Affordable Housing	\$6,500,000
Ground Floor Activation <i>(in the form of a TIF Grant)</i>	\$8,300,000
Plan Implementation/Administration	\$2,500,000
<b>Total Project Costs</b>	<b>\$151,968,546</b>
<i>Budget shown above in total dollars, as approved in the Amended Project Plan and Reinvestment Zone Financing Plan for the District.</i>	

# City Center TIF District *Background (Continued)*

- **District Projects from 2005 -2008:**

- Dallas Power & Light Buildings (2005)
- Interurban Building (2005)
- Gulf States (2007)
- Republic Tower (2007)
- 1608 Main Street & Pedestrian (2008)
- Joule Hotel (2008)
- Mosaic – Fidelity Union (2007)
- Metropolitan (2007)



Flora Lofts



Fairfield Residences at West End



Liberty State Building Relocation



211 North Ervay

2012 amendments led to increased activity in the zone

- **District Projects from 2012 – Present:**

- Fairfield Residences at West End (*Under Construction*)
- Purse & Co. Lofts (*Restructuring*)
- Flora Lofts (*Seeking extension of LIHTC allocation*)
- Liberty State Building Relocation (*Completed*)
- 211 North Ervay (*Under Construction*)
- Mid Elm Lofts (*Negotiating Historic Tax Credits*)
- 711 Elm Street (*Under construction*)
- Hartford Building – 400 North St. Paul (*Restructuring*)



Purse & Co. Lofts

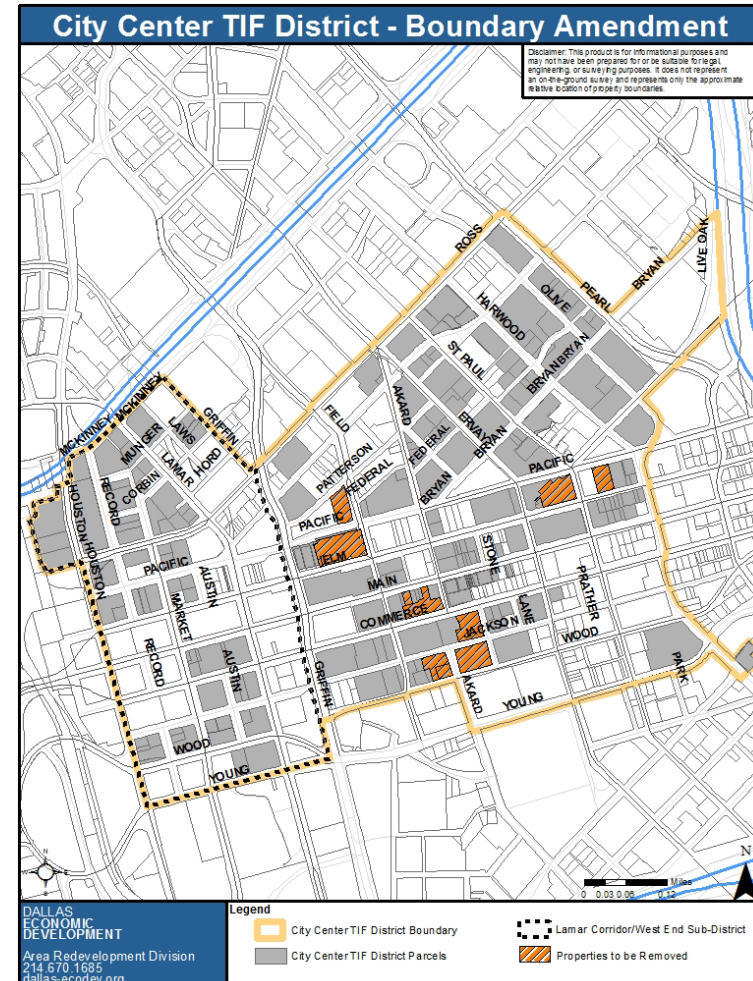


Mid Elm. Lofts

# City Center TIF District

## *Proposed Boundary Amendment*

- Staff is recommending removal of various properties from the District
  - Redevelopment of these properties is not anticipated and/or would not occur during remaining term of the District
  - District does not have financial capacity to support redevelopment of properties
  - Most of the properties' current value is less than their 1997 base value (See **Appendix A**), providing no benefit to the TIF district
  - Properties to be removed
    - 1201 Elm Street (Renaissance Tower)
    - 208, 301, 308, 311 S. Akard Street (AT&T Buildings)
    - 201 Pacific Avenue (Parking Garage)
    - 1700 Pacific Avenue (Office Tower)
    - 1910 Pacific Avenue (Pacific Place office tower)
    - 1315 Commerce Street (Adolphus Hotel)\*
  - Adolphus Hotel was recently purchased by a development group that is planning an extensive renovation of the hotel. As a result of the lack of financial capacity within the sub-district to support the renovation project, the development group has decided to seek a Historic Tax Abatement for the project.*



# City Center TIF District

## *Proposed Boundary Amendment*

- Removal of the properties from the district decreases its base year value from \$866M to \$577M
- The reduction in base year value allows the collection of additional increment (approx. \$3.7M) to support:
  - Unanticipated development projects (*Thanksgiving Tower, Liberty State Bank Relocation*)
  - Higher than anticipated TIF funding allocations for priority redevelopment projects (*Fairfield Residences @ West End, Mid Elm Lofts*)
  - Offset minimal increase in district wide value due to the high concentration of office buildings in the TIF District
- General fund currently receives approx. \$1.5M in property tax revenue for the properties proposed to be removed from District, this will not change
- If property tax revenue generated by removed properties increase, the additional revenue will flow to the General Fund, not the TIF District

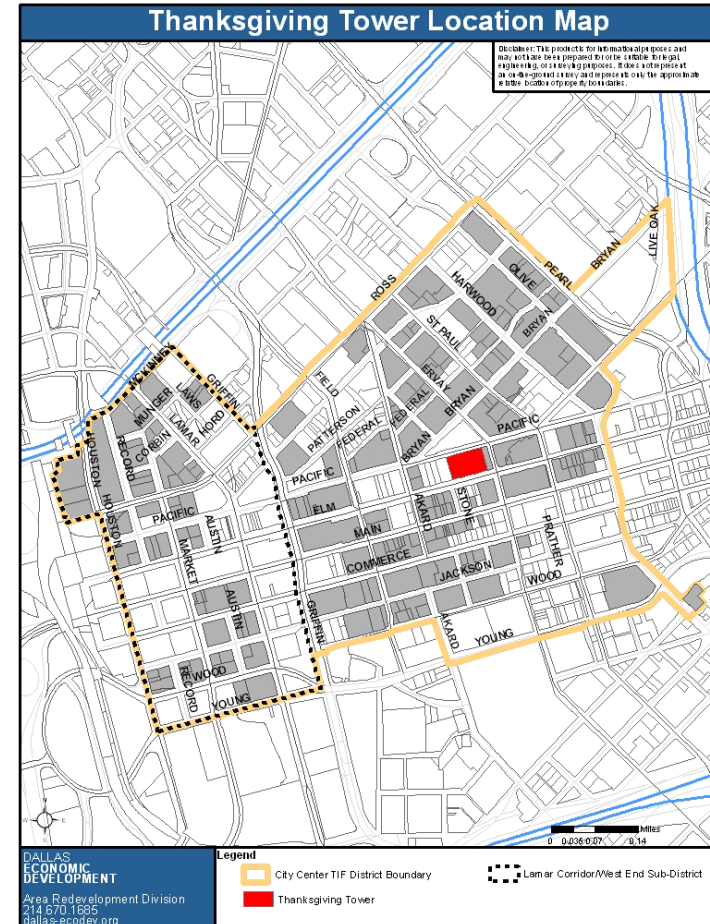


# Thanksgiving Tower Renovation

## *Building Description*

### Building Description

- 50-story office tower, originally built in 1982
- Since 2004, occupancy and rental rates have fallen to unsustainable levels, a result of insufficient capital investment/challenging market conditions
- February 2013, building went into foreclosure
- July 2013, 1601 Elm Holdings, LP acquired property with goal of restoring and renovating building and increasing occupancy



# Thanksgiving Tower Project

## *Project Description*

### Project Description

- Improvements/upgrades to building's infrastructure (mechanical, electrical, plumbing and life safety systems for entire building)
- Redevelopment of existing podium, and improvements to common areas
- Significant changes to exterior façade at ground floor level and plaza
- Many of proposed improvements were conditions of Santander Consumer USA's relocation of its corporate headquarters to Thanksgiving Tower (*Santandar was approved \$1M in relocation assistance from Public Private Partnership Program*)
- Building is adjacent to light rail station

**Project Cost:** \$173,745,558

**Project Start Date:** Work has begun on floors occupied by Santander

**Project Completion Date:** July 2016



# Thanksgiving Tower Project

## *Street-Level Activation – Building Improvements*

- Thanksgiving Tower and buildings constructed during its era were typically inwardly focused, lacking a meaningful street presence and disengaged the building from the street. Proposed improvements (listed below) to ground floor will open up the building, activate the street and enhance pedestrian experience.
  - Ground floor improvements create 3-5 new street level retail spaces (See **Appendix B**)
  - Base of tower narrowed approx. 15 feet on east and west ends to incorporate space for 1-2 retail tenants on each end
  - Street-level reflective glass replaced with a clear glazing system to provide retail and common areas with enhanced visibility
  - Lobby improvements - Removal of old bank teller and lending offices to create new street level retail opportunities; modified circulation; replacement of surface finishes with new materials
  - New plaza and valet drop off area on Pacific Avenue to service office and retail users and visitors (See **Appendix B**)
  - Exterior paving and red granite replaced with modern materials



*Current*



*Proposed*

# Thanksgiving Tower Project

## *Project Funding Sources and Uses*

Sources	Amount	%	Uses
Private Equity	\$67,945,558	39%	Construction
Loan	\$105,800,000	61%	Acquisition and Construction
<b>\$173,745,558</b>			



# Thanksgiving Tower Project

## *Proposed City Incentives*

### TIF Funding

- Proposed TIF funding for this project concentrates on re-working and activating the ground floor and plaza
- Redevelopment of the street-level of the building into one that addresses the street, creates better pedestrian connection to Thanksgiving Square and Main Street, enhances pedestrian activity on Elm Street and provides additional retail space would not occur, but for TIF funding
- TIF funding for the project is contingent on approval of the proposed District amendment

### Incentive Funding from 2012 Bond Program

- Transit Oriented Development – Thanksgiving Tower is located within ¼ mile of light rail, enhanced DART usage is anticipated as occupancy levels in the renovated building increase
- Upon receipt of CO, the project will be eligible for \$2.78M grant

Description	Amount
<b>Public Infrastructure Improvements</b>	
<i>Plaza/Site Improvements – site preparation, mechanical, electrical, landscaping, streetscaping, design and engineering fees</i>	\$3,000,000
<b>Redevelopment/Development Projects</b>	
<i>TIF Grant - Ground Floor Retail Improvements</i>	\$3,000,000
Total TIF Funding Recommended	\$6,000,000
Proposed 2012 TOD Bond Incentives	\$2,780,000
<b>Total City Incentives</b>	<b>\$8,780,000</b>

# TIF Board Recommendations

## *Plan Amendment/Thanksgiving Tower Project*

- On November 14, 2013 the City Center TIF District Board of Directors reviewed and recommended approval of amendments to the City Center TIF District to: (1) decrease the geographic area of the City Center Sub-district by removing the following properties from the sub-district 1201 Elm Street, 208, 301, 308, and 311 S. Akard Street, 1201, 1700, 1910 Pacific Avenue, 1925 San Jacinto Street and 1999 Bryan Street; and (2) revise the Sub-district's Boundary Map, property list and base year value to reflect properties removed from the District.
- On February 13, 2014, the City Center TIF District Board of Directors reviewed and recommended approval of an amendment to the City Center TIF District to: (1) remove the building addressed as 1315 Commerce street from the City Center Sub-district and (2) make corresponding changes to the district's boundary map and Project and Reinvestment Zone Financing Plans, as necessary.
- On June 12, 2014, the City Center TIF District Board of Directors reviewed and recommended approval of a development agreement with 1601 Elm Holdings, LP, and TIF funding for the Thanksgiving Tower project in an amount not to exceed \$6,000,000, of which a portion is in the form of an Economic Development Grant.

# Strategic Importance of Proposed Plan Amendment/Thanksgiving Tower Project

- **District Amendment**
  - Removes buildings from the City Center Sub-district who will not benefit from TIF funding because of limited financial capacity and remaining term of TIF District
  - TIF District will be able to collect additional increment needed to fund Thanksgiving Tower project
- **Thanksgiving Tower Project**
  - Improvements to ground floor of building encourages pedestrian activity and activates Elm Street
  - Improvements to site create better connections to Thanksgiving Square to the north and Main Street to the south (See **Appendix C**)
  - Standard set for activating the ground floors of 1980's era office towers
  - Proposed improvements will allow owners to reposition building to Class AA office building and attract new tenants, increasing CBD's daytime population
  - Increased building occupancy will enhance DART ridership in the area
  - Capital improvements for the 1.3M square foot building will be completed, keeping the building from falling into disrepair
  - One of many planned redevelopment projects on Elm Street, between Harwood and Field Streets

# Recommendation

---

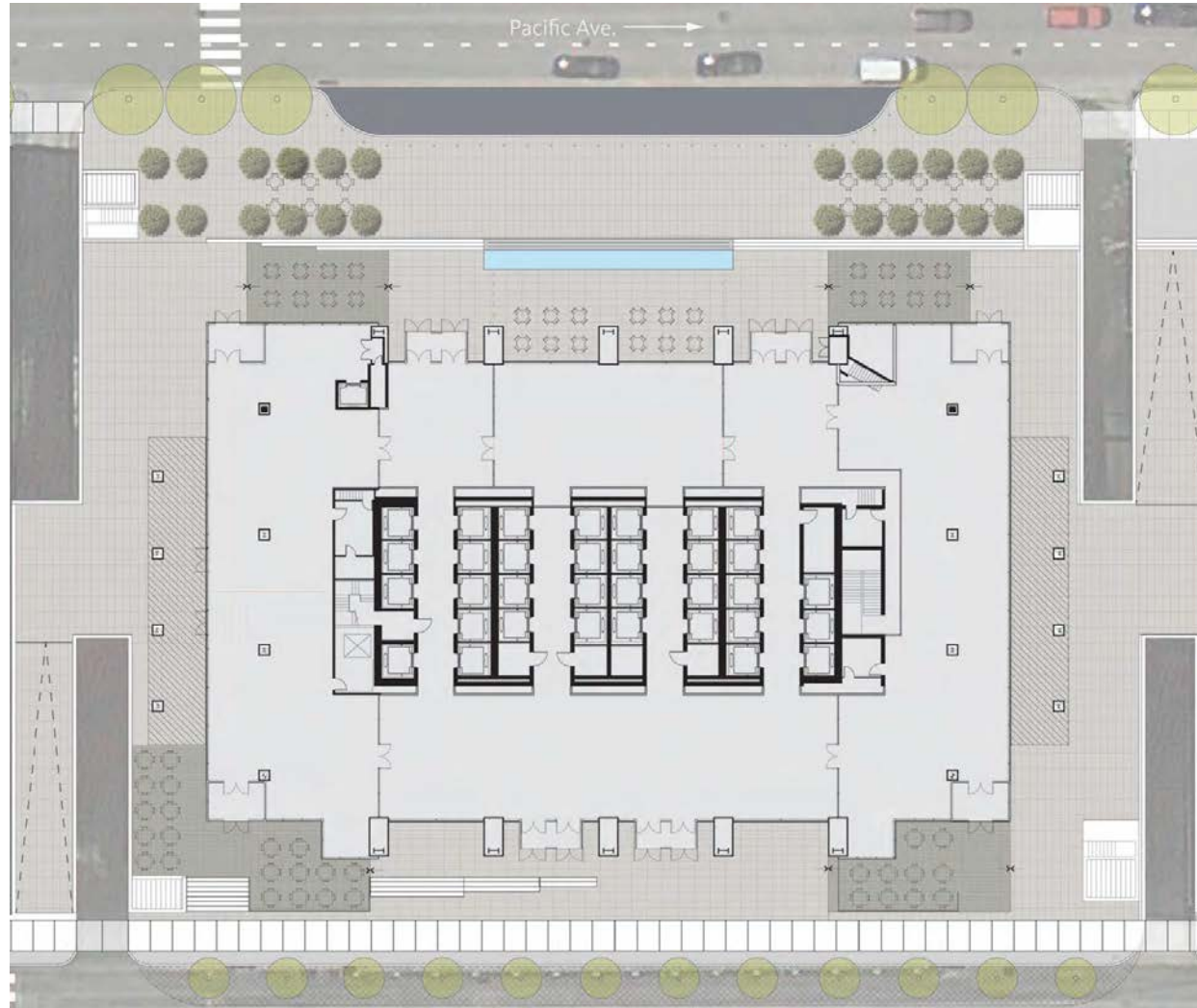
- Staff requests ECO Committee's approval of City Council's consideration of the following:
  - October 22, 2014 – Call a public hearing to be held on November 12, 2014, for proposed plan amendments
  - November 12, 2014 – Conduct public hearing and hearing consider the proposed plan amendments
  - November 12, 2014 – consider development agreement and related incentives for Thanksgiving Tower project

# APPENDICES

# Appendix A: Boundary Amendment Property List

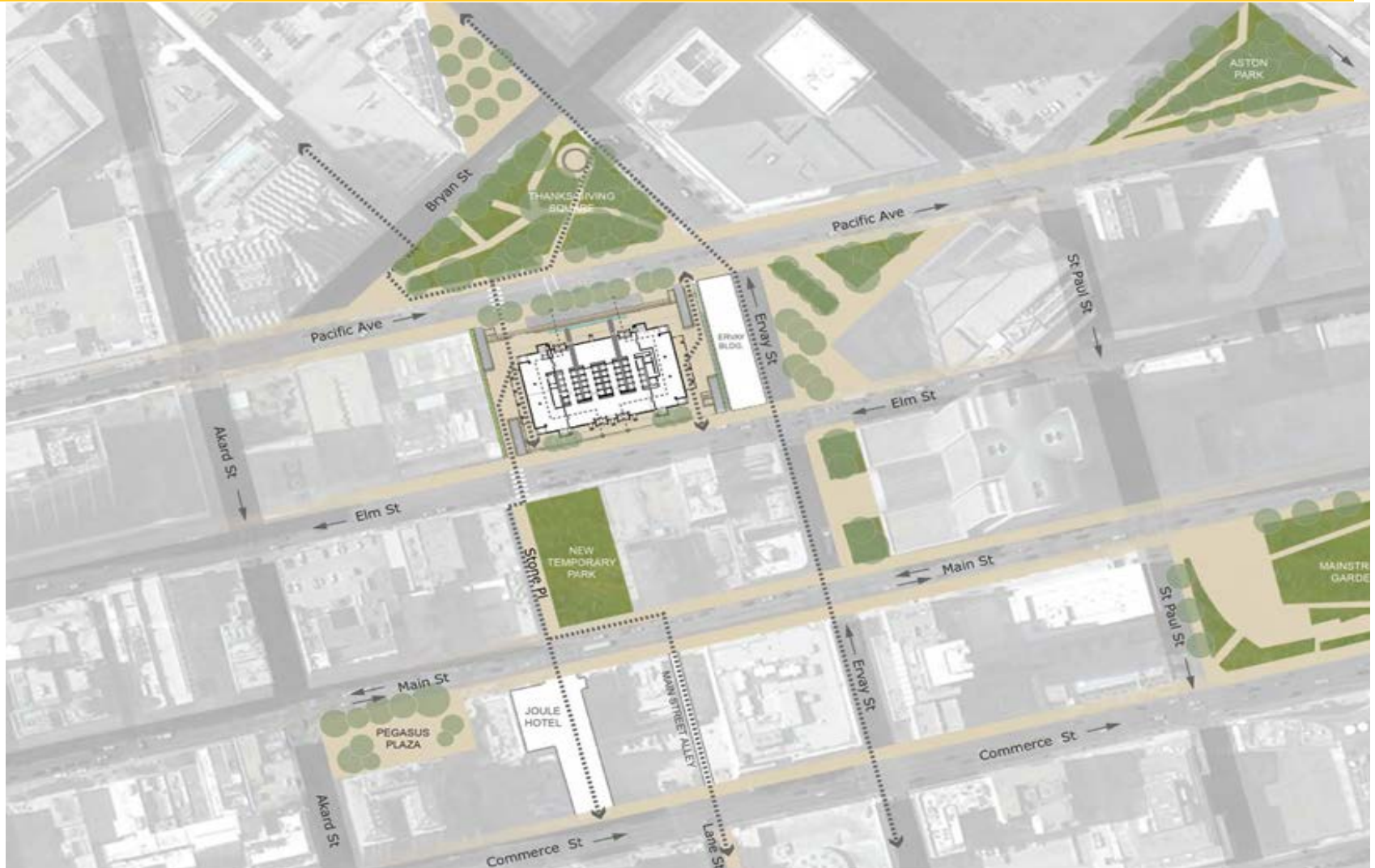
DCAD Account Number	Owner Name	Property Address	TIF District Term	1997 Base Year Taxable Value	2014 Taxable Value	Property Value Change	General Fund Tax Revenue	
00000100445000000	BINYAN REALTY LP	1201 ELM ST	1997 - 2022	\$125,012,050	\$56,619,950	(\$68,392,100)	\$451,261	Renaissance Tower
00000100445000100	SUHGERS DONALD TRUST THE	1201 ELM ST	1997 - 2022	\$99,073	\$130,000	\$30,927	\$1,036	Renaissance Tower
00000100748009900	SOUTHWESTERN BELL	311 S AKARD ST	1997 - 2022	\$2,880,000	\$2,434,490	(\$445,510)	\$19,403	AT&T
00000100762000000	SOUTHWESTERN BELL	301 S AKARD ST	1997 - 2022	\$5,754,230	\$4,950,000	(\$804,230)	\$39,452	AT&T
00000101086000000	SOUTHWESTERN BELL TELEPHONE	208 S AKARD ST	1997 - 2022	\$43,880,533	\$42,490,000	(\$1,390,533)	\$338,645	AT&T
00000101131000000	SOUTHWESTERN BELL	308 S AKARD ST	1997 - 2022	\$16,666,670	\$15,600,000	(\$1,066,670)	\$124,332	AT&T
00000101542000000	1910 PACIFIC LP	1910 PACIFIC AVE	1997 - 2022	\$9,600,000	\$5,225,850	(\$4,374,150)	\$41,650	Pacific Place
00000104717000000	BINYAN GARAGE LLC	1201 PACIFIC AVE	1997 - 2022	\$5,871,960	\$5,250,050	(\$621,910)	\$41,843	Parking Garage
00000110712009900	OLYMBEC USA LLC	1700 PACIFIC AVE	1997 - 2022	\$58,887,580	\$51,136,850	(\$7,750,730)	\$407,561	1700 Pacific
000070000A01A9900	RBP ADOLPHUS LLC	1315 COMMERCE ST	1997 - 2022	\$20,150,776	\$25,222,100	\$5,071,324	TBD	Adolphus Hotel
000070000A01A0400	RBP ADOLPHUS LLC	1315 COMMERCE ST	1997 - 2022	\$0	\$4,913,400	\$4,913,400	TBD	Adolphus Hotel
000070000A01A0500	RBP ADOLPHUS LLC	1315 COMMERCE ST	1997 - 2022	\$0	\$1,499,560	\$1,499,560	TBD	Adolphus Hotel
<b>Totals</b>				<b>\$288,802,872</b>	<b>\$215,472,250</b>	<b>(\$73,330,622)</b>	<b>\$1,465,182</b>	

# Appendix B: Thanksgiving Tower Project Ground Floor/Site Layout





# Appendix C: Thanksgiving Tower Project *Pedestrian Connectivity*





# Appendix D: Thanksgiving Tower Project

## *Conditions of TIF Funding*

- Minimum private investment of \$96,000,000 for the Project (acquisition, construction and construction related soft costs)

The term “Invest” or “Investment” means the sum of all acquisition costs, construction costs (hard and soft) paid, payable or actually incurred by or on behalf of the Owner, with respect to the Project and the improvements thereon. Construction related soft costs include the following items: architecture and engineering and interior design. Carrying or other similar costs shall not be considered toward this definition of project investment. The owner must provide verification of all expenditures.

- Redevelopment of the Project shall include:
  - Minimum \$11,000,000 investment in building infrastructure improvements, building mechanical, electrical, plumbing and life safety systems
  - Minimum 10,000 square feet of ground floor retail/restaurant/commercial space
  - Renovation of at least 200,000 square feet of office space
  - Plaza/Site improvements
- Obtain a building and/or demolition permit and start construction for the Project by September 30, 2014
- Obtain a Certificate of Occupancy (CO) for the Project by July 31, 2016

# Appendix D: Thanksgiving Tower Project

## *Conditions of TIF Funding (Continued)*

- Obtain final acceptance of public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works and Transportation Department by July 31, 2016 and submit documentation to OED;
- Execute an Operating and Maintenance agreement for public infrastructure improvements associated with the Project by July 31, 2016, for a period of 20 years;
- A minimum of at least 50% of ground floor space, not including office lobby space, must be occupied prior to TIF Reimbursement;
- Provide public access easements (for a term to be negotiated) for the east and west ends of the site providing connectivity between Thanksgiving Tower to the north and Main Street to the south
- TIF Reimbursement for the Project is subject to City Council's approval of boundary amendment to remove underperforming properties from the City Center TIF District

# Appendix D: Thanksgiving Tower Project

## *Conditions of TIF Funding (Continued)*

- Owner 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
- Owner will (i) 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 make a good faith effort (ii) 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;
- If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director’s and City Center TIF District Board of Director’s approval.

# Appendix E: Project Requirements/Other Information

Thanksgiving Tower Renovation Project	
Minimum Office Renovations (required)	Building infrastructure for 1,300,000 s.f.
Minimum Retail Space	10,000 s.f.
Required Private Investment – (acquisition, construction hard and soft costs)	Min. 96,000,000
Expected Total Project Cost	\$175,745,558
TIF Funding	\$8,780,000
% TIF funds to total project cost	5%
Return on Cost without TIF	5.7%
Return on Cost with TIF	6%
Deadline to Obtain Building Permit	September 30, 2014
Deadline to Obtain Final CO	July 31, 2016

# Appendix F: Thanksgiving Tower Project

## Project Proforma

Thanksgiving Tower Renovation Proforma			
City Center TIF District			
<b>PROJECT DESCRIPTION:</b>	1601 Elm Street		
<b>PROJECT TYPE:</b>	Mixed Use		
<b>CONSTRUCTION START DATE:</b>	September 30, 2014		
<b>PROJECT SCHEDULE:</b>	July 31, 2016		
<b>Use Breakdown</b>	<b>SF</b>	<b>Total Leasable SF (entire project)</b>	
Office	11,457	1,190,440	
Retail	1,178,983		
Back of House/Common Area/Other	184,080		
		<b>Total Existing Bldg SF (Gross)</b>	
		1,374,520	
<b>Project Costs</b>		<b>Income</b>	
Hard Cost	\$34,560,568	Office Revenue	\$18,859,743
Soft Cost (less Developer Fee)	\$2,305,091	Retail Revenue	\$126,641
Acquisition	\$71,000,000	Parking & Other	\$2,474,629
Office Tenant Improvements	\$45,490,063	<b>Total Income</b>	<b>\$21,461,013</b>
Office Leasing Commissions	\$5,400,000		
Office Common Area Improvements	\$14,989,836		
<b>Total Project Cost (without City \$)</b>	<b>\$173,745,558</b>	<b>Expenses</b>	
		Office Operating Expense	(\$7,799,753)
Total Project Cost	\$173,745,558	Retail Operating Expense	(\$86,143)
TIF Assistance	\$6,000,000	Property and Franchise Taxes	(\$2,602,794)
2012 Bonds	\$2,780,000	Property Management	(\$426,687)
<b>Net Cost to Developer (after TIF reimbursement)</b>	<b>\$164,965,558</b>	<b>Total Expenses</b>	<b>(\$10,915,377)</b>
		<b>Capital Reserves</b>	<b>(\$687,397)</b>
<b>Return on Cost Analysis</b>		<b>NOI (after reserves)</b>	<b>\$9,858,239</b>
<b>NOI/Total Project Costs</b>			
Return on Cost (without City \$)	5.7%		
Return on Cost (with City \$)	6.0%		
		<b>Notes</b>	: Stabilized rates in 2021; Revenue reflects a an office vacancy rate of 20%

# Appendix G: Thanksgiving Tower Project

## *Development Team – 1601 Elm Holdings, LP*

- Jonas Woods, Founder and CEO
- John Helton, Senior Managing Director

1601 Elm Holdings, LP is a joint venture between experienced opportunistic investors with the aligned vision to restore Thanksgiving Tower to its full potential as a well-performing investment and as a timeless Dallas landmark property. The general partner for the venture, Woods Capital Management, LLC (“Woods Capital”) is an integrated real estate company founded in 2007 by Jonas Woods, formerly the president of Hillwood Capital – a Perot Company. The Woods Capital team has been a successful participant in the real estate markets as an investor, developer, and manager of real estate assets, as well as a fiduciary on behalf of third-party capital. The team members have completed over \$4 billion in real estate acquisition and/or development transactions including office, residential, industrial, and retail properties.

Woods Capital manages Hayman Wood, LLC, which it formed in 2007 with Kyle Bass. In 2008, Hayman Woods launched the Hayman Woods Residential Strategies Fund, LP a comingled discretionary opportunity fund focused on opportunities resulting from the mortgage credit crises. In 2011, Hayman Woods launched Hayman Woods Apartment Properties, LLC, a private REIT focused on “Class A” garden apartments in the Southern US.

# Memorandum



DATE October 3, 2014

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

SUBJECT **Trinity Graves Mixed-use Project Sports Arena TIF District**

On Monday, October 6, 2014 the Economic Development Committee will be briefed on the Trinity Grove Mixed-use Project – Sports Arena TIF District.

Briefing material is attached.

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  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council

# Trinity Groves Mixed-use Development

*Sports Arena TIF District*

Economic Development Committee  
October 6, 2014



# Purpose

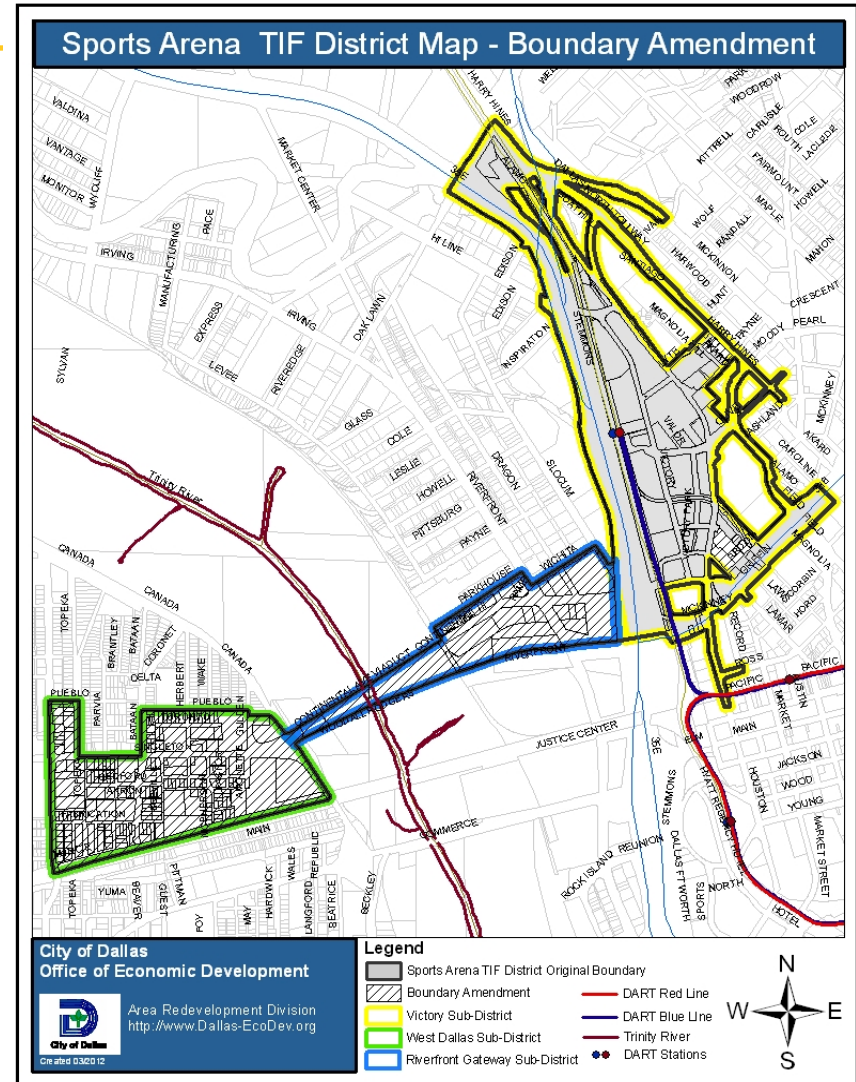
---

- Provide background information on Sports Arena TIF District
- Review Trinity Groves Mixed-use project and funding request
- Obtain Economic Development Committee's approval for consideration of project on October 22, 2014 City Council agenda

# Sports Arena TIF District

## Background

- Created in 1998 to fund construction of roadway system around American Airlines Center
- Amended May 2012 to:
  - Fund structured parking and other incentives needed to promote development of surface parking lots and retail space in Victory Sub-District
  - Create new Sub-Districts to promote redevelopment adjacent to Trinity River and West Dallas
  - Extend term and increase budget of original district and create longer term and budget for new Sub-Districts

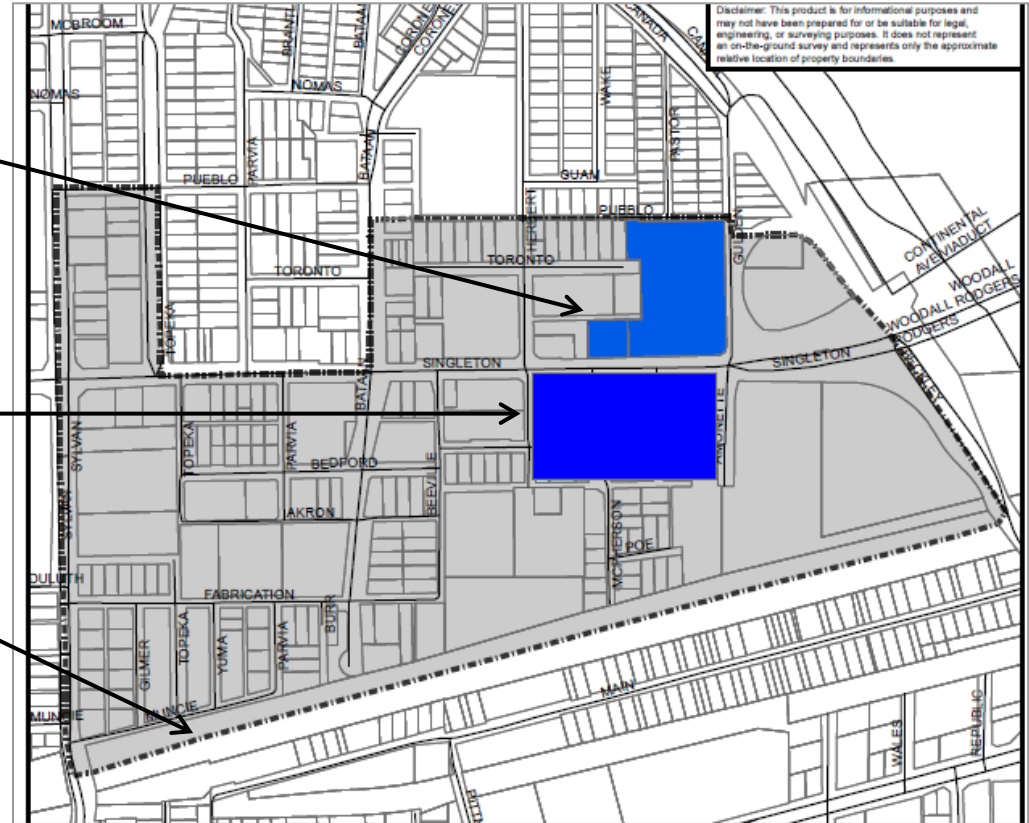


# Trinity Groves Phase 1 and Mixed-use Development Locations

Trinity Grove Phase I Project location – Singleton Boulevard at Gulden Lane

Trinity Grove Mixed-use Project location

Boundary line for West Dallas Sub-district



# Trinity Groves

## *Background*

- Phase I –
  - Trinity Groves – First phase of long-term redevelopment plan for 80 acres of land along Singleton Boulevard in West Dallas area
  - Work started in 2012-13. Trinity Groves Phase I includes approximately 80,000 square feet of restaurant space, a brewery, event space, and a restaurant incubator
  - Development group is successfully rebranding identity for the area
  - TIF funding allocated was \$3,505,000 (City Council approval on April 9, 2014)



# Trinity Groves Mixed-use *Project Description*

- Trinity Grove Mixed-use Project
  - 34,200 square feet of retail space, 349 apartment units and related parking (primarily structured, some surface parking)
  - Total private cost of the project is approximately \$51.2 million
  - Public improvements include street reconstruction, pedestrian friendly streetscape improvements – wide sidewalks, landscaping and pedestrian lights
  - First vertical construction related to ‘Three Hole Punch’ Project – portion of Herbert and Amonette Streets





# Trinity Groves Mixed-use *Project Description (Continued)*

- **Estimated Construction Start :** December 2015
- **Estimated Project Completion :** December 2018
- **Design Review:** Peer Review Panel reviewed and approved design of project on August 29, 2014.
  - Site specific comments addressed by developer
  - Recommended traffic calming and parking on Singleton Boulevard
- **Total Project Cost :** \$51.2 million
- **TIF Funding Request for Mixed-use:** \$13.9 million



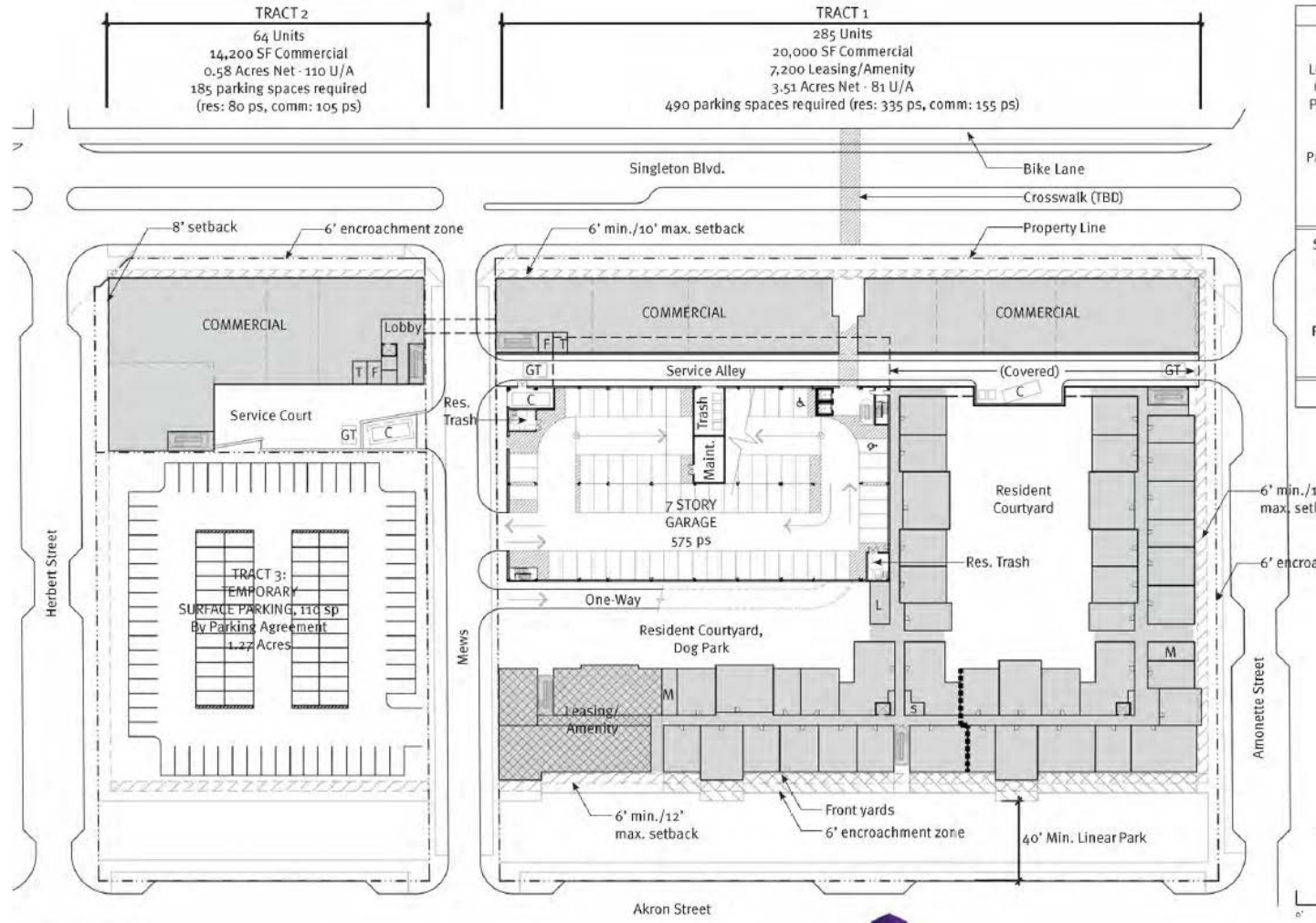
# Trinity Groves Mixed-use *Project Budget*

Description	Amount
Demolition	\$223,980
Streetscape Improvements ( <i>Akron, Amonette, Herbert and Singleton Streets, open space, etc.</i> )	\$5,420,634
Off-site Improvements ( <i>drainage, paving, wastewater</i> )	\$296,159
Engineering, Architectural Fees ( <i>for public improvements listed above</i> )	\$402,500
Economic Development TIF Grant	\$7,606,727
<b>TIF Funding</b>	<b>\$13,950,000</b>

- Improvements to Singleton Boulevard, Herbert Street and Amonette Streets are part of the West Dallas Gateway project ('Three Hole Punch'). If GO Bond proceeds allocated for this work, are insufficient to complete, Developer will fund and be reimbursed. If bond funds are sufficient to complete these roadway upgrades, TIF reimbursement will be reduced by amount of bond funds used.

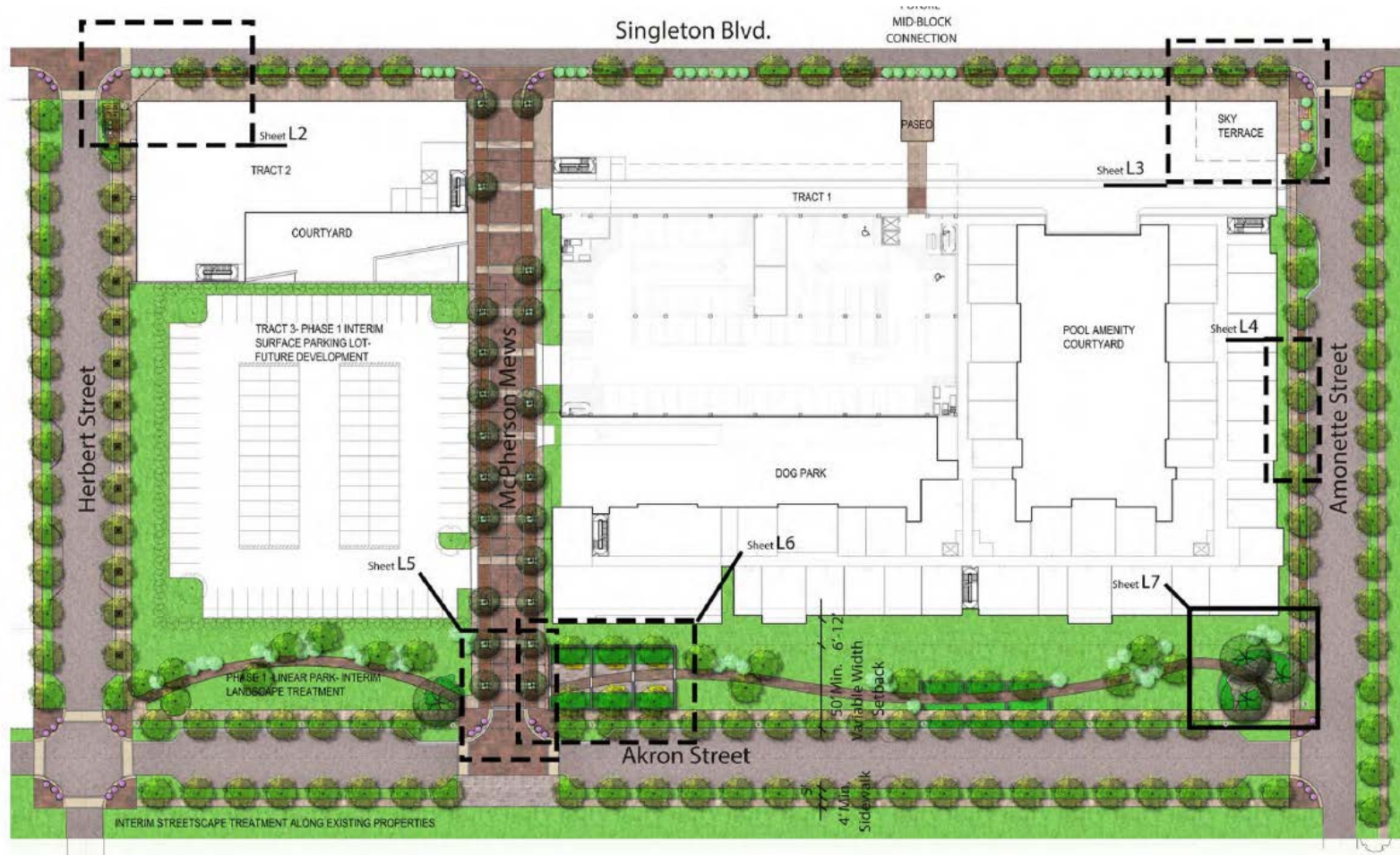


# Trinity Groves Mixed-use Development Project Design



Site Plan

# Trinity Groves Mixed-use Development *Project Design (Continued)*



Proposed Landscape Plan

# Trinity Groves Mixed-use *Project Elevations*



01 Singleton Elevation



02 Herbert Elevation

# Trinity Groves Mixed-use *Project Elevations (continued)*



01 Akron Elevation



01 Amonette Elevation



# Trinity Groves Mixed-use Development

## *Project Funding Sources and Uses*

Trinity Grove Mixed-use Project Funding Sources			
	Amount	%	Uses
Developer Equity	\$13,090,775	25.57%	construction and infrastructure cost
Construction Loan	\$38,109,225	74.43%	construction cost
	\$51,200,000		



# Strategic Importance of Proposed Project

---

- **Continues activation of Singleton Boulevard** with mixed use multifamily, retail, and restaurant venues and increases economic activity in the area.
- **Improves pedestrian connections** to under-construction improved Commerce Bridge Park.
- **Sets standard for streetscape improvements** along Singleton Boulevard and surrounding streets, including wider sidewalks, pedestrian lighting, and landscaping.
- **Sets market rental rates** for future residential construction in area
- **Introduces new multifamily rental product** to area

# Trinity Groves Mixed-use Development

## *TIF Board Funding Recommendation*

---

- On October 2, 2014, the Sports Arena TIF District Board of Directors reviewed and approved TIF funding for the Trinity Groves Mixed-use project in an amount not to exceed \$13,950,000.



# Recommendation

---

- Staff requests ECO Committee's approval of consideration of a development agreement with Trinity Groves Residential I, L.P., for TIF reimbursement not to exceed \$13,950,000 for the Trinity Groves Mixed-use project by City Council at their October 22, 2014 Council meeting.

# APPENDICES

# Appendix A: Trinity Groves

## *Highlights of TIF Funding Conditions*

- Minimum private investment of \$36,000,000, in Mixed-use Project, to include construction and construction related soft costs.
- Construction of the Project shall include:
  - 200,000 square feet of residential space; and
  - 25,000 square feet of retail/restaurant space.
- Start construction for the Project by December 31, 2015;
- Certificate of Occupancy (CO) for the Project by December 31, 2018;
- Recommendations by the Urban Design Peer Review Panel include:
- Work with City staff to add on-street parking on Singleton Boulevard;
  - Pay careful attention along the Singleton Boulevard retail experience to encourage design variety;
  - Avoid a monolithic or sterile pedestrian experience, particularly as it applies to the individual storefronts, signage and potentially the alignments of storefront glazing;
  - Work with the City staff to discuss options for including teaser parking along Singleton Boulevard as a means to buffer pedestrian activity from traffic and encourage traffic calming along Singleton Boulevard; and
  - Address impression of too much complexity of hardscape elements as depicted, primarily along Singleton Boulevard.

# Appendix B: Project Requirements/Other Information

Trinity Grove Mixed-use Project Facts	
Minimum residential space	200,000 s.f
Minimum retail/restaurant space	25,000 s.f
Required Private investment	36,000,000
Expected Project cost	\$51,200,000
TIF funding	\$13,950,000
% TIF Funds to total project cost	27%
Return on cost without TIF	3.7%
Return on cost with TIF	5.1%
Deadline to obtain Building Permit	December 31, 2015
Deadline to obtain Final CO	December 31, 2018

# Appendix C: Trinity Groves Mixed-use Project Proforma

Trinity Groves Mixed-use Pro Forma			
Sports Arena TIF District			
PROJECT DESCRIPTION:	Trinity Groves Mixed-use Project		
PROJECT TYPE:	Multifamily and Restaurant/Retail Project		
CONSTRUCTION START DATE:	July 1, 2015		
PROJECT SCHEDULE:	December 31, 2017		
<b>Use Breakdown</b>	<b>SF</b>		<b>Total Leasable SF</b>
Multifamily	237,100		271,300
Retail/Restaurant	34,200		
Total Building Square Footage	271,300		271,300
<b>Project Costs</b>			
Land Costs/Acquisition	\$5,235,000		
Hard Cost	\$36,105,535		
Soft Cost	\$9,859,465		
<b>Total Project Cost (without City \$)</b>	<b>\$51,200,000</b>		
Total Project Cost	\$51,200,000		
TIF Assistance	\$13,950,000		
<b>Net Cost to Developer (after TIF reimbursement)</b>	<b>\$37,250,000</b>		
<b>Income</b>			
		Commercial & Residential (6 year avg)*	\$5,529,501
<b>Total Project Cost (without City \$)</b>	<b>\$51,200,000</b>	<b>Total Revenue</b>	<b>\$5,529,501</b>
<b>Expenses</b>			
		Operating Expense (6 year avg)	\$3,636,081
<b>Return on Cost Analysis</b>			
<b>NOI/Total Project Costs</b>			
Return on Cost (without City \$)	3.70%		
Return on Cost (with City \$)	5.08%		
		<b>Total Expenses</b>	<b>\$3,636,081</b>
		<b>NOI</b>	<b>\$1,893,420</b>
Total Project Cost	\$51,200,000	\$51,200,000	\$51,200,000
TIF Assistance	\$13,950,000	\$11,345,230	\$10,000,000
Return on Cost (without City \$)	3.70%	3.70%	3.70%
Return on Cost (with City \$)	5.08%	4.75%	4.59%

# Appendix D: Sports Arena TIF District

## *Amended Budget*

Sports Arena TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	Total Budget*	Total Committed or Spent	Total Remaining
Original Improvements			
<b>Total Original Improvements**</b>	\$38,588,359	\$38,389,665	\$198,694
<b>Victory Sub-district Amended Budget</b>			
West Dallas Set-Aside	\$12,907,284	\$623,338	\$12,283,946
<b>Tier One Improvements</b>	\$44,328,928	\$44,328,928	\$0
North Parking Garage			
South Parking Garage			
Economic Development TIF Grants			
<b>Total Tier One Improvements</b>			
<b>Tier Two Improvements</b>	\$77,498,529	\$2,760,357	\$74,738,172
Additional North Parking Garage			
Additional South Parking Garage			
Other District Improvements:			
Open Space/Connectivity, Special Studies			
Infrastructure Improvements and Retail			
<b>Total Tier Two Improvements</b>			
<b>Total Victory Sub-District</b>	\$134,734,741	\$47,712,623	\$87,022,118
<b>Category</b>	<b>Total Budget</b>	<b>Total Committed or Spent</b>	<b>Total Remaining</b>
<b>West Dallas Sub-district</b>			
Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition			
<b>Total West Dallas Sub-District</b>	\$90,507,123	\$0	\$90,507,123
<b>Riverfront Gateway Sub-district</b>			
Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail			
<b>Total Riverfront Gateway Sub-district</b>	\$9,558,813	\$0	\$9,558,813
<b>Administration and Implementation</b>	\$765,000	\$460,602	\$304,398
<b>Total Amended Budget</b>	<b>\$274,154,036</b>	<b>\$86,562,890</b>	<b>\$187,591,146</b>
<b>Original Sports Arena TIF District Budget</b>	<b>\$46,961,785</b>		



# Appendix E: Trinity Groves

## *Development Team– Trinity Groves, LLC*

- Trinity Groves LLC oversees the operations and management of the Trinity Groves development as part of West Dallas Investments LP. The development is owned by West Dallas Investments LP, a real estate partnership focused on purchasing and development of property in the West Dallas area. They currently own more than 80 acres in West Dallas. Trinity Groves Residential I, L.P will be managed by Columbus Realty Partners Ltd.,
- Columbus Realty Partners Ltd.,
  - **Robert Shaw and Roger Staubach** - Managing Partners of Columbus Realty Partners Ltd., Dallas based company for the development of residential neighborhoods. Developed over 12,000 apartments, condominiums and townhomes and 200,000 square feet of neighborhood based retail space – Uptown Dallas, Uptown Denver, Midtown Houston, Austin, Plano and Roosevelt Historic District in Phoenix.
  - **Jim Reynolds** – is Senior Vice President of Development and Construction for Trinity Groves LLC. Mr. Reynolds has over 25 years working on large scale mixed use, commercial/retail projects as well as directing strategic development, construction and real estate transactions.

# Memorandum



DATE October 3, 2014

TO Members of the Economic Development Committee:

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

SUBJECT **Amendments to Resolution No. 13-1711 which Authorized TIF Funding for the Plaza Hotel Project (Cedars TIF District), October 22, 2014 Council Agenda**

## Background

TEOF Hotel LLC is finalizing negotiation of funding for the Plaza Hotel project. Staff has reviewed the amended financing proposal and supports an extension of all project deadlines by one year. This item amends Resolution No. 13-1711 which authorized staff to execute a development agreement with the developer for the project. The amendments include a provision to reimburse the costs associated with City requested public improvements (up to \$1,000,000) out of available Cedars TIF District Funds upon receipt of invoices for completed work. The remaining \$1,285,071 will be reimbursed upon the project's completion in five annual payments of \$257,014. This will facilitate the development agreement's execution and help the developer secure financing for the project.

On September 25, 2013, City Council approved TEOF Hotel LLC's request for \$2,285,071 in TIF reimbursement for the Plaza Hotel Project which will include the following improvements at 1011 South Akard Street as well as along South Akard Street and West Griffin Street: (1) conversion of a vacant 12 story hotel into a 220 room full service hotel with an the outdoor pool and amenity area; and (2) infrastructure, streetscaping, and landscaping improvements that will consist of the construction of new sidewalks; the replacement and repair of existing sidewalks; and the planting of native plants and trees along South Akard Street and West Griffin Street. The project will also utilize shipping containers to construct approximately 1,800 square feet of commercial space on the southeast corner of the hotel's parking lot. The sidewalks along South Akard Street (including the portion over the (I-30 Bridge) shall be approximately 10' wide attached to the curb and separated from vehicular traffic by a painted bike lane and buffer zone. The general width of the Griffin Street sidewalk shall be the same as the existing sidewalk except for landscaped curb extensions and the roadway reduced by one traffic lane to be replaced by a lane of parallel parking subject to Public Works approval. Design aspects of the project have been reviewed by the City Design Studio and Peer Review Committee.

## Fiscal Information

No Cost Consideration to the City

**Staff**

Karl Stundins, Manager, Area Redevelopment Division  
Telemachus Evans, Economic Development Analyst

**Recommendation**

Staff recommends City Council's approval of the amendments to Resolution No. 13-1711.

**Map**

Attached

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



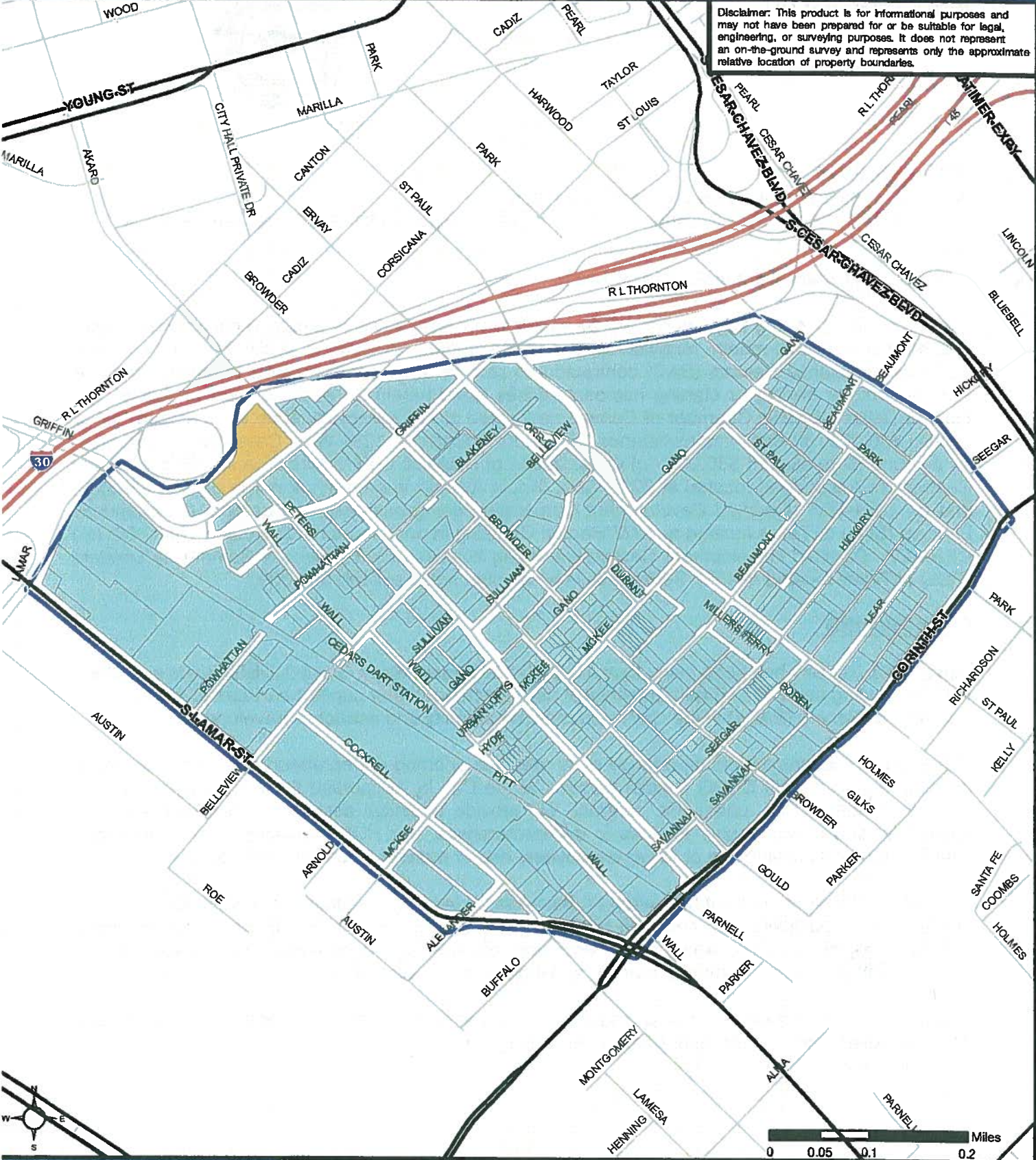
Ryan S. Evans  
First Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# Cedars TIF District

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  
Map: 05-29-13, Last Update: 08-29-13 - PlazaHotelALP

**Legend**

- Plaza Hotel
- Cedars Parcels
- Cedars TIF District Boundary

Data Source: City of Dallas

# Memorandum



CITY OF DALLAS

DATE **October 3, 2014**

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

SUBJECT **Business Assistant Center (BAC) Contracts**

On October 8, 2014, the City Council will be asked to consider a twelve-month service contract, with two additional twelve-month renewal options, each subject to funding availability with the five Business Assistance Centers (BAC) contractors to provide technical assistance to low-to-moderate income persons owning or starting microenterprises listed herein for each contract as follows: (a) Greater Dallas Hispanic Chamber of Commerce located at 4622 Maple Avenue in an amount not to exceed \$80,000; (b) Business Assistance Center, Inc. located at 1201 West Camp Wisdom Road in an amount not to exceed \$80,000; (c) Organization of Hispanic Contractors DBA Regional Hispanic Contractors Association located at 2210 West Illinois Avenue in an amount not to exceed \$80,000; and (d) CEN-TEX Certified Development Corporation doing business as Business & Community Lenders (BCL) of Texas located at 1322 Record Crossing in an amount not to exceed \$80,000; (e) CEN-TEX Certified Development Corporation doing business as Business & Community Lenders (BCL) of Texas located at 4907 Spring Ave in an amount not to exceed \$80,000.

## **BACKGROUND**

Since 1993, the City has been using Community Development Block Grant (CDBG) funds in addition to other funding sources to fund the technical assistance and other support services of the Business Assistance Centers (BACs) in the City to promote community and economic development.

The City has recognized the importance of its role in supporting entrepreneurial and small business development to benefit CDBG eligible persons of the City by supporting the BAC program. BACs, located within the City, under this contract, will provide technical assistance, incubator space (if applicable) and other support services to microenterprises. Per HUD regulations "microenterprise" means a business having five or fewer employees, one or more of whom owns the business.

Services may include, but not be limited to: business counseling, seminars/training, incubator space (if applicable), business plan and loan packaging assistance, financial and business management, and other eligible services which foster economic development opportunities for low-to-moderate income (LMI) persons operating or starting a microenterprise within the City.

On June 25, 2014 the Council authorized the adoption of the FY 2014-15 Consolidated Plan Budget which included funding of \$640,000 for the BAC Program by Resolution No. 14-1001



On August 7 and August 14, 2014, the City made a Request For Competitive Sealed Proposals (RFCSP) from organizations to establish, manage, and operate microenterprise Business Assistance Centers within the City of Dallas. Contract funding is being recommended for the five (5) highest ranking proposals.

**OWNER(S)**

**Greater Dallas Hispanic Chamber of Commerce (GDHCC) - Maple**  
Rick Ortiz, President

**Business Assistance Center, Inc.**  
Van Howard, President

**Organization of Hispanic Contractors DBA Regional Hispanic Contractors Association**  
John H. Martinez-D, President

**Centex- Certified Development Corporation DBA BCL of Texas**  
Rosa Valdez, President

**Centex - Certified Development Corporation DBA BCL of Texas**  
Rosa Valdez, President (2<sup>nd</sup> location)

**COUNCIL DISTRICT**

All

**FISCAL INFORMATION**

\$400,000 - 2014-15 Community Development Block Grant Funds

**MAP**

Attached.

**RECOMMENDATION**

Staff recommends the City Council approval of the above referenced item.

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



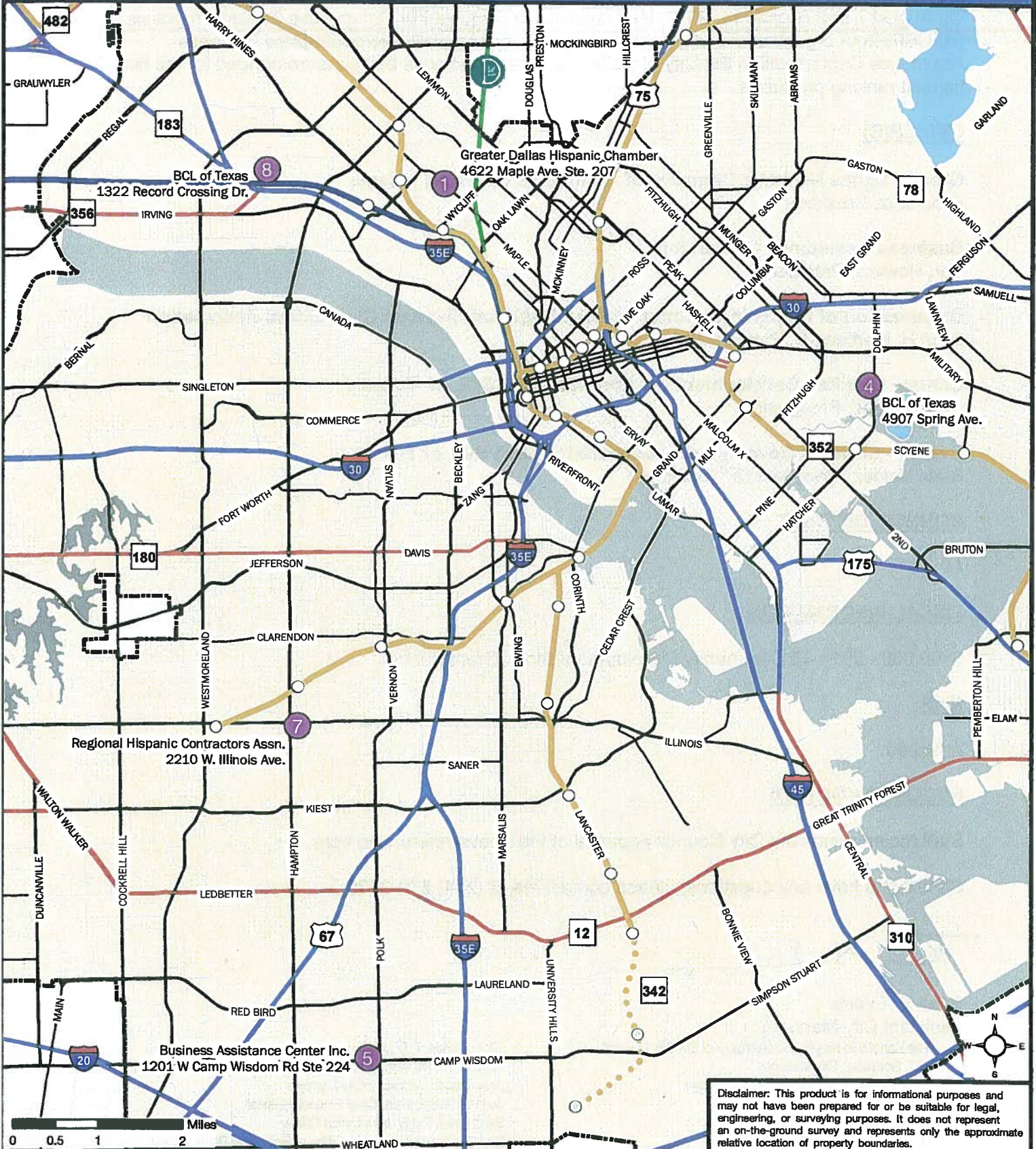
**Ryan S. Evans**  
**Assistant City Manager**

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Ryan Evans, First Assistant City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# Dallas Business Assistance Centers: 2014-2015



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**

Business Assistance Center	DART Light Rail	Tollway	Flood Plain
Rail Station	Commuter Rail	Highway	Lake
Future Station	Future DART Light Rail	Arterial	City of Dallas
	Freeway	Local Road	

Source: City of Dallas, 2014

Created: 8/21/2008; Last Updated: 10/1/2014; BACs\_2014-15.rtc



# Memorandum



CITY OF DALLAS

DATE October 3, 2014

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

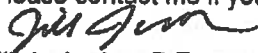
SUBJECT 5 Year Acquisition Contract, and Service Contract to establish a Master Agreement for Purchase of additional Licenses, maintenance and support of existing POSSE Land Management System.

The October 8th, 2014 Council Agenda includes an item to authorize a 1) five-year acquisition contract to establish a master agreement for the purchase of additional licenses, products and professional services to expand and upgrade the existing POSSE Land Management System in the amount of \$2,695,070 and 2) a five-year service contract to establish a master agreement to continue maintenance and support on the existing system in the amount of \$599,760 - Computronix (USA), Inc. - Sole Source - Not to exceed \$3,294,830 - Financed with Current Funds (Subject to annual appropriations).

POSSE System was initially installed in 2003 to manage permits and inspections for various City departments. Currently, it handles 57,000 permits annually for Sustainable Development and Construction (SDC) and additional 128,000 requests annually for contractor registrations, certificates of occupancy, conservation district reviews, Board of Adjustment reviews and historic district reviews. Additionally, the Housing department leverages POSSE to manage the housing repair program. POSSE is being expanded to automate SDC's Real Estate Processes for Foreclosures, Acquisitions and Abandonments, and Engineering division to eliminate paper, increase efficiency, decrease turnaround time and track projects and money efficiently. Future initiatives include automation for Code Compliance, Storm water Management and Dallas Fire-Rescue.

The contract also provides ongoing maintenance and support which includes software updates and technical support. Available support and maintenance agreement enables the City's technical managers to continue to respond quickly and effectively to daily support issues.

Please contact me if you have any questions.

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

c Honorable Mayor and Members of Council  
A C Gonzalez, City Manager  
Warren M S. Ernst, City Attorney  
Craig D Kinton, City Auditor  
Rosa A Ros, City Secretary  
Daniel F Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D Campbell, Assistant City Manager

Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council  
Karl Zavitskovsky, Director, Office of Economic Development  
J Hammond Perot, Assistant Director, Office of Economic Development  
William Finch, Director/CIO, CIS

# Memorandum



CITY OF DALLAS

DATE October 03, 2014

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

SUBJECT **Upcoming Agenda Item: Andrews Building Services Agenda Item – October 22, 2014**

On your October 22, 2014 Council Agenda, there is an item for consideration to authorize payment for janitorial services furnished by Andrews Building Service, Inc. at various Aviation facilities in an amount not to exceed \$268,380.

Andrews Building Services, Inc. (ABS) was authorized to provide janitorial services at Dallas Love Field for a five-year period from September 12, 2012 through September 12, 2017. During this timeframe, the Love Field terminal building underwent a massive renovation with several components of the new facility being opened in phases. The conditions associated with construction sites and maintaining the appearance of the new facility required more extensive cleaning services than originally specified. The contract was supplemented with the maximum amount of funds allowable, therefore no additional amendments were permitted.

The Aviation Department began the process to secure a new contract for janitorial services by advertising a request for bid on January 23, 2014 and closing on February 26, 2014. The level of janitorial service required to maintain the new terminal building to satisfactory conditions caused funds to be completely exhausted by February 2014. ABS continued to provide services from March – May 2014 at their originally contracted rates to ensure sanitary conditions for passengers until a new contractor was identified.

UBM Enterprises (UBM) was the successful bidder and was awarded the Aviation contract on April 9, 2014. Due to TSA mandated background checks for airport employees, UBM was not able to begin service immediately. ABS agreed to continue providing service at the same contract rate until the new contractor could begin. UBM officially began providing service on June 1, 2014.

Recognizing insufficient oversight for the janitorial contract, the Department of Aviation conducted an internal audit and discovered additional ABS invoices that remained to be paid. Departmental procedures have been implemented to

address the oversight issues within the Facilities division to cover all contracts, including:

- Dedicated experienced team member to monitor contracts through a contract review log (contract terms, amount authorized, amount remaining, indicators to initiate process of obtaining a new contract, etc.)
- Reemphasized the guideline of gaining approval (Delivery Order) prior to service being provided
- Verification/confirmation of services being invoiced within two (2) business days by the division manager prior to being sent to Accounts Payable for processing
- Perform random contract audits to ensure compliance monitoring

This item will authorize payment to Andrews Building Services, Inc. for three months (March – May 2014) of invoices due to them for service provided.

Please let me know if you have any questions.



Ryan S. Evans  
First Assistant City Manager

CC: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Eric Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Mark Duebner, Director of Aviation  
Elsa Cantu, Assistant to the City Manager – Mayor & Council