

Memorandum



DATE February 27, 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 **Placemaking Project (Victory Sub-district) Sports Arena TIF District**

On Monday, March 2, 2015 the Economic Development Committee will be briefed on the Placemaking project in the Sports Arena TIF District.

Briefing materials are 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 D. 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

Placemaking Project – Victory Sub-district
Sports Arena TIF District

Economic Development Committee
March 2, 2015

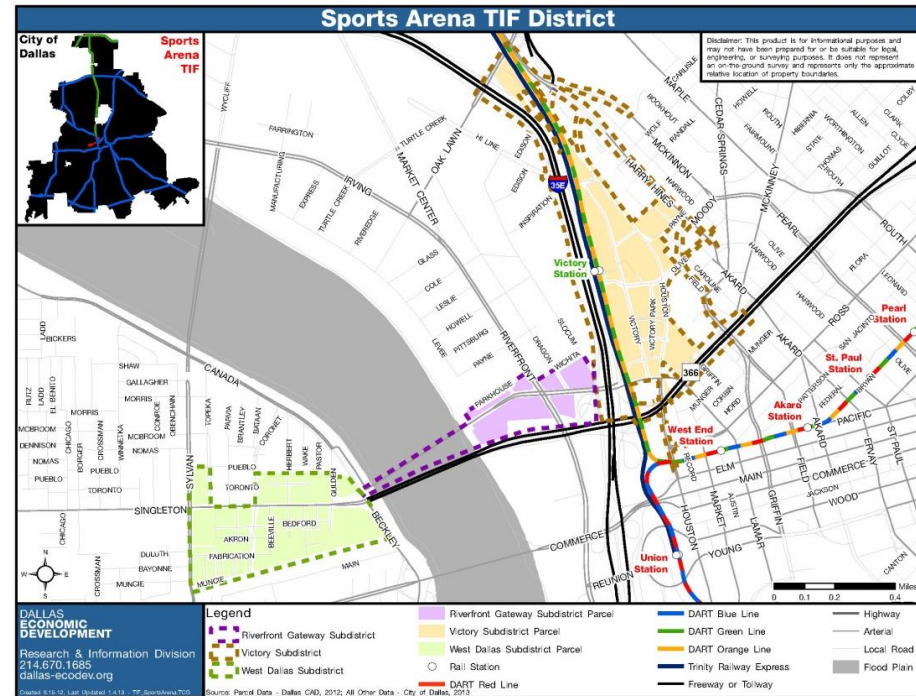


Purpose

- Provide background and update on Sports Arena TIF and Victory Sub-district
- Review Victory Sub-District Design/Technical Studies
- Review Actions Taken and Proposed Next Steps
- Obtain Economic Development Committee approval for Council consideration on April 8, 2015

Sports Arena TIF District Background

- Originally created 1998
- Amended May 2012
 - Extended term to December 31, 2028
 - Boundary expanded to create Riverfront Gateway and West Dallas Sub-districts
 - Created 10% set-aside of Victory Sub-district increment for West Dallas Sub-district
 - Increased budget for TIF district to \$273M (See Appendix A) and Victory Sub-district to \$133M
- Purpose of District Amendment
 - Allows collection of additional tax increment in Victory Sub-district to address parking, circulation, and neighborhood design
 - Supports new development in West Dallas by dedicating 10% of increment generated in Victory Sub-district
 - Exponentially increases property value of Victory Sub-district during extended term (DCAD value increased 30% from 2012 values to \$530M in FY 2014)



Sports Arena TIF District

Amended District's First Priority - Parking

- City Zoning and Arena Agreements require 5,000 parking spaces to be available at all times for AAC event parking
 - Platinum Garage (2,000 spaces)
 - Surface parking lots (3,000 spaces)
- Prior to District's amendment surface parking lots tied up ±20 acres of developable land
- Since 2012 Amendment, City Council has approved following parking related TIF funding:
 - **North Parking Garage** (under construction) – 1,271 space parking structure dedicated solely to AAC event parking (releases ≈7 acres of surface parking for development; City will own the land and garage)
 - **South Parking Garage** – 425 AAC event spaces relocated into an existing parking garage (releases ≈6 acres for development; TIF District receives 75% of revenue generated by public transient parking during AAC event and non-event times)
- Approximately 10 acres of surface parking remain in the district
- Technical studies recommend, any future structured parking (supported by TIF funding) should provide usage at both AAC event and non-event times

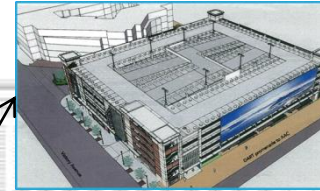
Victory Sub-district *Status Update*



- Worldwide Express signed 28,992 SF office lease October 2014
- Additional 14,000 SF office lease out for signature



- 378-unit multi-family complex
- Opened January 2014



- 1,271 space parking garage owned by the City
- Under construction adjacent to DART station



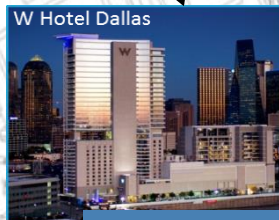
- 425-unit multi-family complex
- Anticipated completion Summer 2015



MWW Group signed 7,076 SF office lease



- 336-unit tower under construction
- completion January 2015



- Modern American gastropub, Cook Hall, opened in Spring 2013
- \$4 million renovation – Fall 2013
- Ghostbar space replaced with Altitude – an event/banquet space



- 263-unit multi-family complex
- Opened in March 2014

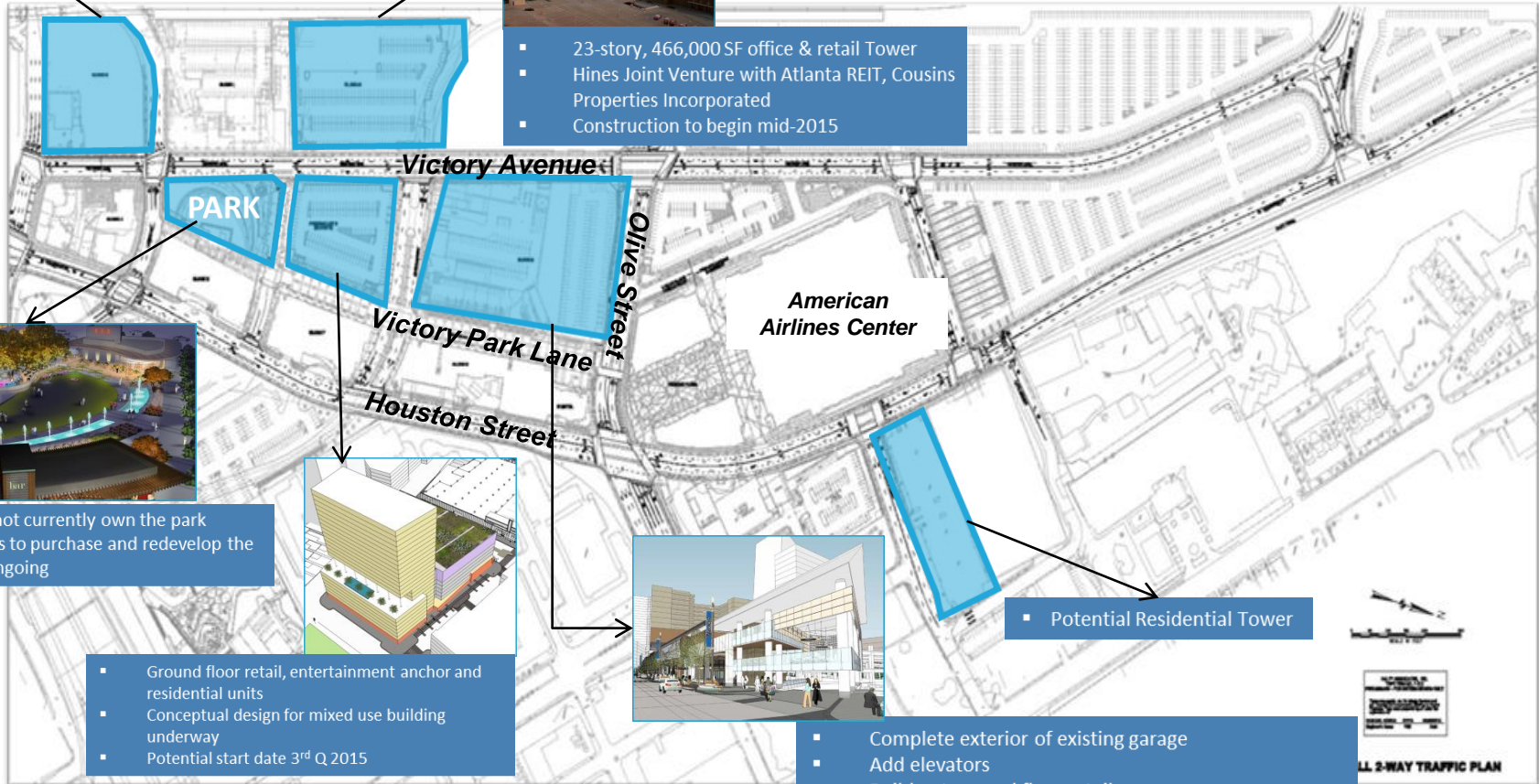


Victory Sub-district Projects Announced and /or Anticipated

- 228 space parking structure for both event and public use
- Construction to begin 1st quarter 2015



- 23-story, 466,000 SF office & retail Tower
- Hines Joint Venture with Atlanta REIT, Cousins Properties Incorporated
- Construction to begin mid-2015



- UST does not currently own the park
- Discussions to purchase and redevelop the park are ongoing



- Ground floor retail, entertainment anchor and residential units
- Conceptual design for mixed use building underway
- Potential start date 3rd Q 2015



- Potential Residential Tower

- Complete exterior of existing garage
- Add elevators
- Build out ground floor retail
- Conceptual Design under review by CityDesign Studio
- Potential start date 1st Q 2015



Victory Sub-district

Design and Technical Studies

- City Council approved TIF Grant 05/2012 to reimburse UST for design and technical studies completed 05/2013 which examined:
 - **Circulation**
 - Two Way Traffic
 - Pedestrian Access
 - Bicycle Access
 - **Parking**
 - Current & Future Parking
 - Shared Parking Analysis
 - **Urban Neighborhood Design**
 - Placemaking
 - Victory Park Lane & Park Redesign
 - Signage & Wayfinding
 - **Retail Analysis**
 - Tenant Storefront Redesign Program
 - Complete Block D Retail & Activate Vacant Lots
 - Merchandise Strategy & Program



Technical Studies

Circulation Recommendations/Actions Taken

- **Two-Way Conversion**

- **Recommendation:** Amend City's Thoroughfare Plan to convert Houston Street and Victory Avenue to two-way traffic flow

Action : City Council approved Thoroughfare Plan amendment 01/22/2014; Two-Way Conversion Project estimated completion August 2015

- **Bicycle Access**

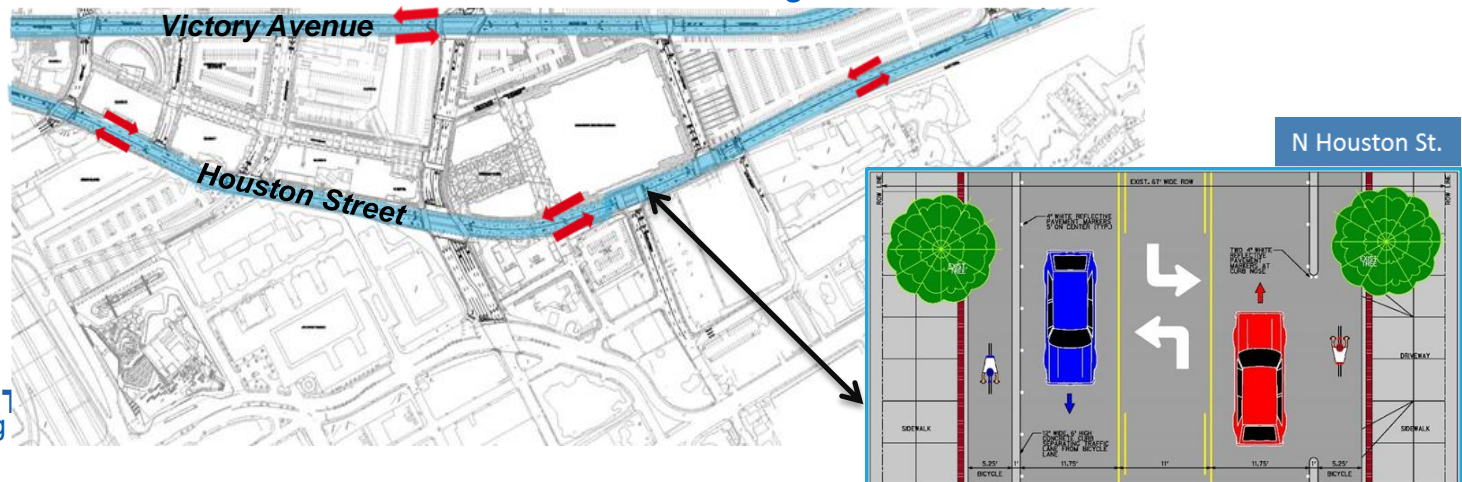
- **Recommendation:** Improve bicycle circulation throughout the sub-district

Action: On Houston Street a dedicated bicycle track will be constructed on both sides of the street and separated from car travel lanes by a raised curb

Action: Victory Park Lane will have shared bicycle lanes

- **Recommendation:** Capitalize on Victory's proximity to KATY Trail; relocate terminus of trail to district park

Action: The bicycle facilities on Houston Street and Victory Park Lane will connect to the current terminus of the KATY Trail and extend it throughout the sub-district



Technical Studies

Circulation Recommendations /Actions Taken (continued)

- Pedestrian Access

- **Recommendation:** Provide traffic calming improvements on Olive Street

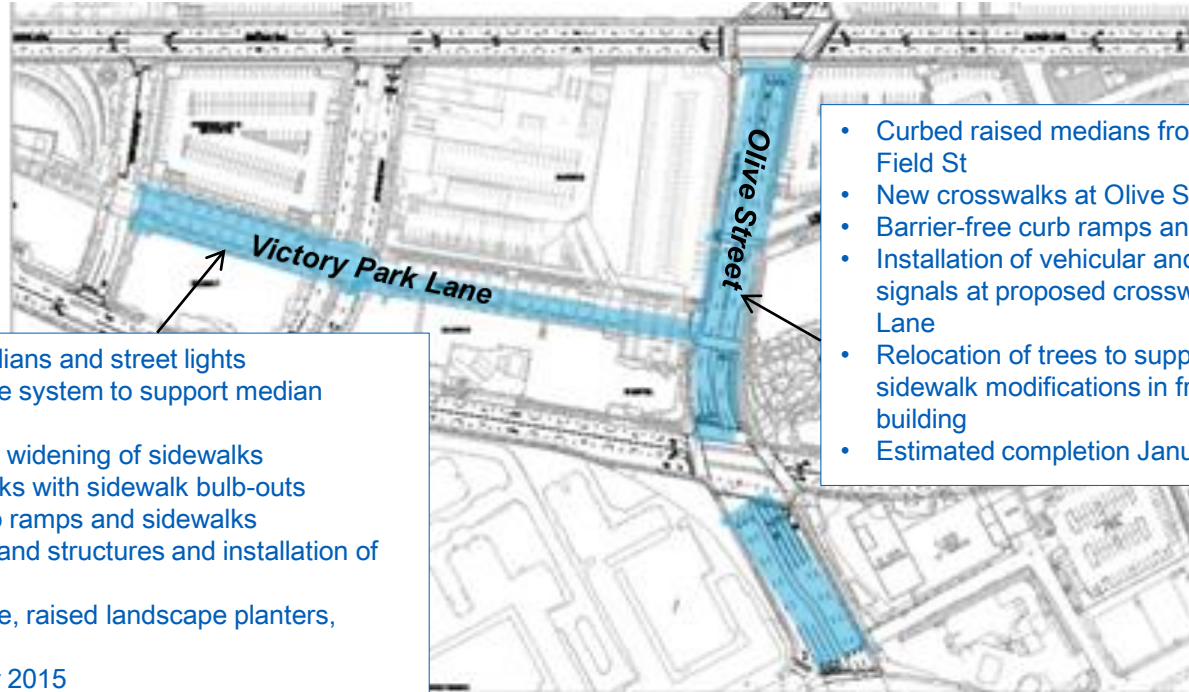
Action: City Council approved TIF reimbursement for Olive Street improvement project 12/11/2013

- **Recommendation:** Enhance sidewalk environment on Victory Park Lane

Action: City Council approved TIF reimbursement for Victory Park Lane improvement project 12/11/2034

- **Recommendation:** Encourage seamless flow of visitors and users throughout the urban district

Action: Addressed with proposed Placemaking Project described on Slides 10 & 11



- Removal of existing raised medians and street lights
- Modification of existing drainage system to support median removal
- Relocation of granite curbs and widening of sidewalks
- New raised mid-block crosswalks with sidewalk bulb-outs
- Modification of barrier-free curb ramps and sidewalks
- Foundation for new street light and structures and installation of street lights
- Installation of surface landscape, raised landscape planters, irrigation, drainage and power
- Estimated completion February 2015

- Curbed raised medians from Victory Ave to Field St
- New crosswalks at Olive St & Victory Park Lane
- Barrier-free curb ramps and modified sidewalks
- Installation of vehicular and pedestrian traffic signals at proposed crosswalks at Victory Park Lane
- Relocation of trees to support the curb and sidewalk modifications in front of Victory Plaza building
- Estimated completion January 2015

Victory Sub-district

Next Steps: Placemaking Project

- **Neighborhood Design Study Recommendations:**
 - Improve visual and pedestrian connectivity between Victory Park Lane and American Airlines Center encouraging seamless flow of visitors
 - Enhance Victory Park Lane as a distinctive place
 - Create a comprehensive Signing and Wayfinding Program that clarifies and simplifies information needed by visitors and customers to efficiently circulate through, park and arrive at the many Victory Park urban neighborhood destinations
- **How Proposed Placemaking Project addresses recommendations (See Appendix B – Placemaking Renderings):**
 - Constructing vertical improvements to complete redesigned street projects (Victory Park Lane and Olive Street)
 - Replacing existing directories along Victory Park Lane with directories that can display up-to-date tenant listings and locations as well as seasonal or promotional messages
 - Installing adaptable seating along sidewalks and pedestrian nodes activating the public realm and complementing future tenant activity as District grows and evolves
 - Installing district markers and banners that uniquely identify Victory Park as a distinctive place and will be appropriately placed to enhance and enrich experience of those that engage the District

Victory Sub-district *Placemaking Project*

- **Public Improvements:**

- Demolition of existing and construction of new sidewalk on north side of Victory Park Lane between Olive Street and Museum Way
- Oval shaped planters with seating and landscaping at major intersection corners and mid block crosswalk on Victory Park Lane
- Freestanding and pole mounted directory kiosks
- District markers
- Bike racks, trash receptacles, recycling units



- **Phased Project:**

- Phase I – improvements that do not require any additional City Council approvals (\$3,774,804)
- Phase II – improvements (District Markers) requiring Council's approval of a Victory Special Provision Sign District amendment prior to installation (\$2,200,000)

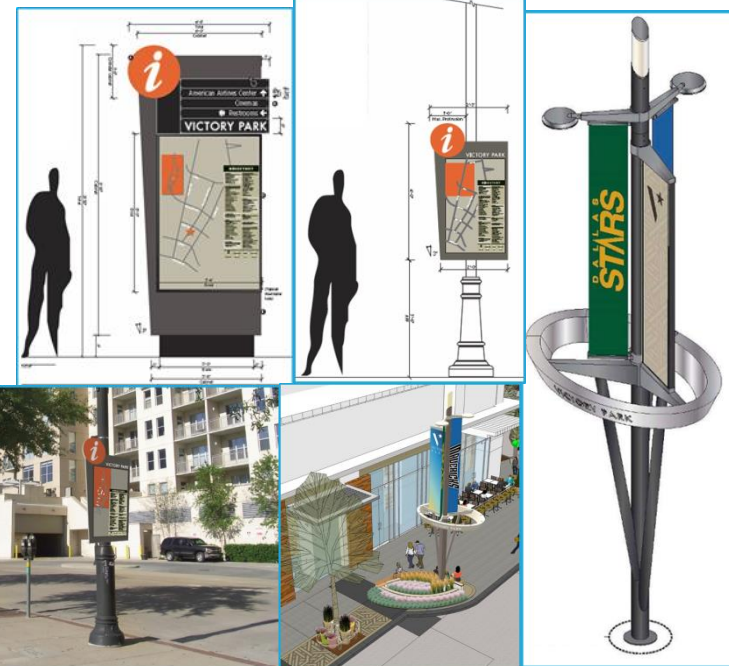
- **Project Cost:** \$5,974,804 (See Appendix C – Project Budget)

- **Required Private Investment in Sub-district:** \$18,000,000

- **Project Start Date:** October 2015

- **Project Completion Date:** December 2016

- UST will front project costs and be reimbursed upon completion from TIF funds, as they become available



Placemaking Project

TIF Board Recommendation and Peer Review

- On January 9, 2015, the Sports Arena TIF District Board of Directors approved and recommended approval of a development agreement with Victory Park UST Joint Venture I, LP for TIF Funding for the Placemaking Project in an amount not to exceed \$5,974,804.
- On May 23, 2014, the City's Urban Design Peer Review Panel reviewed and recommended approval of the overall vision for public improvements and signage program (wayfinding and directional signage) for the Victory Sub-district.

Recommendation

- Staff requests ECO Committee's approval for consideration by Council on April 8, 2015:
 - Development agreement with Victory Park UST Joint Venture I, LP for TIF reimbursement not to exceed \$5,974,804 for the Placemaking Project.

APPENDICES

Appendix A: Sports Arena TIF District Budget

Sports Arena TIF District Projected Increment Revenues to Retire TIF Fund Obligations			
Category	Total Budget*	Total Committed or Spent	Total Remaining
Original Improvements			
Total Original Improvements	\$38,588,359	\$38,389,665	\$198,694
Victory Sub-district Amended Budget			
West Dallas Set-Aside	\$12,779,264	\$679,107	\$12,100,157
Tier One Improvements	\$50,294,300	\$48,919,013	\$1,375,287
North Parking Garage			
South Parking Garage			
Economic Development TIF Grants			
Total Tier One Improvements			
Tier Two Improvements	\$69,573,502	\$13,403,582	\$56,169,920
Additional North Parking Garage			
Additional South Parking Garage			
Other District Improvements:			
Open Space/Connectivity, Special Studies			
Infrastructure Improvements and Retail			
Total Tier Two Improvements			
Total Victory Sub-District	\$132,647,066	\$63,001,702	\$69,645,364
Category	Total Budget	Total Committed or Spent	Total Remaining
West Dallas Sub-district			
Economic Development Grants, Retail Incentives, Infrastructure Improvements, Technical Studies Environmental/Demolition			
Total West Dallas Sub-District	\$91,599,839	\$3,505,000	\$88,094,839
Riverfront Gateway Sub-district			
Economic Development Grants, Infrastructure Improvements, Environmental/Demolition Open Space, Connectivity and Retail			
Total Riverfront Gateway Sub-district	\$9,558,813	\$0	\$9,558,813
Administration and Implementation	\$997,010	\$571,974	\$425,036
Total Amended Budget	\$273,391,087	\$105,468,341	\$167,922,746
Original Sports Arena TIF District Budget	\$46,961,785		

Appendix B: Placemaking Project *Renderings of Improvements*

Completed streetscape section – Victory Park Lane



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Appendix C: Placemaking Project Budget

Description	Amount
Tier Two Improvements	
Connectivity/Quality of Life Improvements – Placemaking Phase I	
<i>Landscaping Planters, Benches, Lighting</i>	1,002,338
<i>Streets, Sidewalks & Utilities</i>	883,018
<i>Modifications to Victory Park Lane</i>	566,199
<i>Fixtures, Furnishings and Equipment</i>	316,065
<i>Modifications to Olive Street</i>	222,183
<i>Kiosks and Directories</i>	164,200
<i>Design, Construction Professional Services</i>	620,801
Recommended TIF Subsidy - Placemaking Phase I	3,774,804
Tier Two Improvements	
Connectivity/Quality of Life Improvements – Placemaking Phase II	
<i>District Markers</i>	\$1,978,690
<i>Design, Construction Professional Services</i>	\$221,310
Recommended TIF Subsidy - Placemaking Phase II	\$2,200,000
Total Recommended TIF Subsidy - Placemaking Phases I & II	\$5,974,804

Appendix D: Placemaking Project

Conditions of TIF Funding Highlights

- Minimum of \$3,000,000 in Project costs funded by Developer for Phase I of the Placemaking Project;
- Minimum of \$1,700,000 in Project costs funded by Developer for Phase II of the Placemaking Project;
- Investment by Developer or affiliates of Developer of a minimum of \$14 million in improvements to property located within the Sports Arena TIF District (Phase I);
- Investment by Developer or affiliates of Developer of a minimum of \$4 million in improvements to property located within the Sports Arena TIF District (Phase II);
- Obtain approval of construction Plans, Specifications and Estimate (PS&E) package from the City, execute 3-way Private Development Contract, where applicable, and start Construction of the Project by October 31, 2015;
- Obtain final acceptance of all public infrastructure improvements associated with the Project, as evidenced by the issuance of a Green Tag from the Public Works and Transportation Department within 30 weeks after Start Construction date and submit documentation to the Office of Economic Development (the “OED”) and in no case later than December 31, 2016;
- Obtain approval by Council of Victory Special Provision Sign District amendment for Phase II District Markers prior to installation

Appendix D: Placemaking Project

Conditions of TIF Funding (Continued)

- Review and approval of the proposed fixtures, furnishings and equipment, kiosks and directories by the Victory Owners Association's Design Review Board prior to starting construction and installation of improvements. Submit documentation of approval and acceptance to the Director;
- Comply with the Business Inclusion and Development ("BID") goal of twenty five percent (25%) Minority/Women-owned Business Enterprise (M/WBE) participation for TIF reimbursable improvements, and the Developer shall make a good faith effort to achieve a goal of 25% certified M/WBE participation for total private improvement construction expenditures for the Project, and meet all reporting requirements for each;
- Enter into an operation and maintenance agreement for the Phase I and II improvements prior to payment of TIF reimbursement. Such operations and maintenance agreement may be assigned to a third party with the consent of the Director. The Victory Owners Association is preapproved as an approved assignee.