

Memorandum

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DATE May 29, 2015

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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, June 1, 2015, 9:00 – 10:30 a.m.
1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201

AGENDA

1. Approval of May 18, 2015 Minutes of the Economic Development Committee
2. Cypress Waters: TIF and MOU Amendments, Related Service Plan/ Development Agreements and Boundary Adjustments
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
3. Saint Elm Hotel and Corrigan Tower-Downtown Connection TIF
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
4. South Dallas Fair Park Trust Fund Program Update and Funding Review
Karl Zavitkovsky, Director
Office of Economic Development
(Estimated time 20 minutes)
5. Dalfort Area Development Update
Mark Duebner, Director
Aviation Department
(Estimated time 10 minutes)
6. Love Field Concession Status
Mark Duebner, Director
Aviation Department
(Estimated time 10 minutes)
7. Upcoming agenda items
 - By-Laws for the Mall Area Redevelopment TIF District
 - Mall Area Redevelopment TIF District: final Project Plan and Reinvestment Zone Financing Plan
 - Extension of Public Parking Lease Agreement at DalPark Garage (City Center TIF District)
 - Chapter 380 Economic Development Grant Agreement with Cesar Chavez Foundation
 - Call a public hearing for renewal and expansion of Lake Highlands PID
 - Call a public hearing for renewal of Vickery Meadow PID
 - Courtland Mtn. Creek Spec Building – Real Property Tax Abatement
 - Amendment to TIF Policy to add criteria for education /training programs
 - Addition to Kaufman County MUD #5

Tennell Atkins, Chair
Economic Development Committee

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 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

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

May 18, 2015

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: May 18, 2015 **Meeting Start time:** 9:14 AM

Committee Members Present:

Tennell Atkins
Rick Callahan
Adam Medrano
Scott Griggs

Other Council Members Present:

Dwaine Caraway

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
Mark Duebner, Director, Aviation Department
Robert Miville, Concessions Group
Manager, Aviation Department

Other Presenters:

Jennifer Picquet-Reyes AIA, Leed BD+C
Associate, Team Leader

1. Approval of April 20, 2015 Minutes of the Economic Development Committee

Presenter(s):

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

Motion made by: Mr. Callahan

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):

2. Farmers Market TIF Boundary Amendment, TIF Plan and Development Agreement Amendments and Purchase and Sales Agreement for Public Parking

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. Medrano

Motion seconded by: Mr. Griggs

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 Agenda Items

- Call Hearing to Amend the Cypress Waters TIF District Plan and related items (Cypress Waters TIF District)
- Boundary Adjustment with the City of Irving (Cypress Waters)
- Second Amendment to Chapter 380 Economic Development Grant Agreement with SLF III – The Canyon TIF, LP
- Economic Development Grant Agreement with CoreLogic Solutions, LLC
- Authorize a lease agreement with a purchase option with Scarborough Forest Park IV, LP for land to be used for parking at Dallas Love Field

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

Motion made by: Mr. Medrano

Motion seconded by: Mr. Griggs

Item passed unanimously: X

Item passed on a divided vote: _____

Item failed unanimously: _____

Item failed on a divided vote: _____

Follow-up (if necessary):

4. 1712 Commerce Hotel Project: Downtown Connection TIF

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

Action Taken/Committee Recommendation(s): No Action Taken

Motion made by: Mr. Medrano

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):

5. Aviation Business Development Program

Presenter(s): Mark Duebner, Director, Aviation Department

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

Motion made by: Mr. Griggs

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):

6. Love Field Concession Status

Presenter(s): Mark Duebner, Director, Aviation Department

Action Taken/Committee Recommendation(s): Motion made to bring the Item back to the June 1, 2015 Meeting

Motion made by: Mr. Griggs

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):

7. Dalfort Redevelopment

Presenter(s): Mark Duebner, Director, Aviation Department

Action Taken/Committee Recommendation(s): Motion made to bring the Item back to the June 1, 2015 Meeting

Motion made by: Mr. Medrano

Motion seconded by: Mr. Griggs

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: 10:31 AM

Approved By: _____

Memorandum



DATE **May 29, 2015**

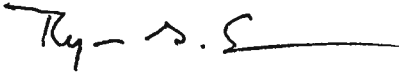
TO **Members of the Economic Development Committee: Tennell Atkins (Chair),
Rick Callahan (Vice Chair) Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman**

SUBJECT **Cypress Waters: TIF Plan and MOU Amendments, Related Service Plan/Development
Agreements and Boundary Adjustments**

On Monday, June 1, 2015, the Economic Development Committee will be briefed on the proposed amendments to the TIF plan and Cypress Waters memorandum of understanding, a related interlocal agreement with Irving, a related development agreement with Billingsley Company, TIF development agreement amendments, and a city boundary adjustment (Cypress Waters TIF District).

Briefing material is attached.

Should you have any questions, please contact me.



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
Rosa A. Rios, City Secretary Karl Zavitkovsky, Director, Office of Economic Development
Daniel F. Solis, Administrative Judge J. Hammond Perot, Assistant Director, Office of Economic Development
Eric D. Campbell, Assistant City Manager Elsa Cantu, Assistant to the City Manager – Mayor & Council
Jill A. Jordan, P.E., Assistant City Manager

Cypress Waters: TIF Plan and MOU Amendments, Related Service Plan/Development Agreements and Boundary Adjustments

Economic Development Committee
June 1, 2015



Purpose

- Update status of Cypress Waters project
- Amend Cypress Waters TIF District Project and Finance Plan to reduce budget by \$110M, terminate TIF after Phase I and Phase II project reimbursement, and make boundary adjustments
- Review proposed development agreement between DWU and Billingsley
- Propose inter-local agreement with Irving, including a City boundary adjustment:
- Amend MOU with Billingsley to reflect updated development plans

Purpose - continued

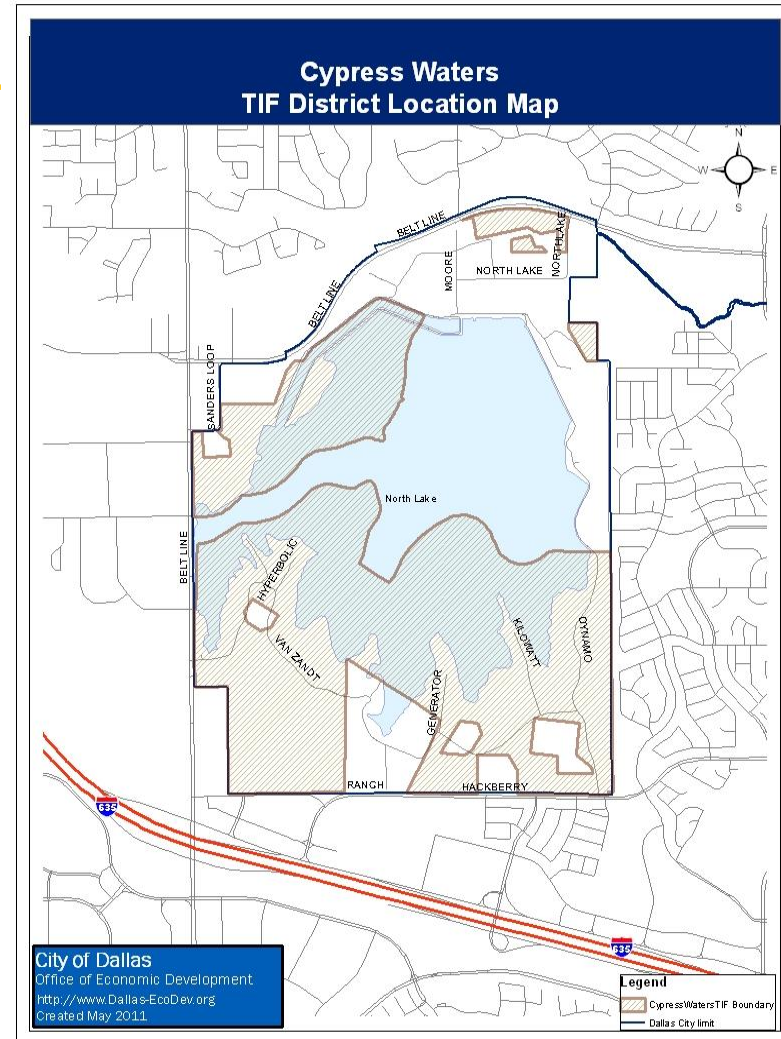
- Seek Economic Development Committee approval for Council consideration of the following items:
 - June 10, 2015, authorizing:
 - Ordinance to amend the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan
 - June 17, 2015, authorizing
 - Amendment to the Cypress Waters MOU with Billingsley LD, Ltd.
 - Development agreement between DWU and Billingsley LD, Ltd.
 - Inter-local agreement with the City of Irving
 - Boundary adjustment agreement with Irving
- August 2015: Ordinance to complete the City boundary adjustment with Irving.

Briefing Highlights

- Success of initial projects and increased efficiency in providing water/wastewater, created by collaborative agreement between Dallas and Irving, allows developer to terminate TIF 13 years early (after Phase 1 and 2 project reimbursements)
- \$12M in total cost saving generated by water/wastewater agreement
- Dallas transfers 6 acres of vacant and inaccessible land to Irving in exchange for Irving's Agreement to Service 22 acres of Dallas Land
- TIF budget reduced by \$110M (\$160M to \$50M)
- Upon projected termination of TIF in 2028, general fund will receive approximately \$6.9M annually (Repays TIF Investment in 7 years)

Project Update – Background/Location

- Created December 8, 2010 (See past Council agenda timeline, Appendix 10)
- Generally bounded by East Belt Line to north, South Belt Line Road to west, Ranch Trail Drive and Hackberry Road to south, and the City of Irving to east.
- City of Coppell lies to north and west. City of Irving to east and south.
- Entire Cypress Waters area includes approximately 1,661 acres.
- The TIF district contained approximately 939 acres (excluding public rights-of-way).



Project Update – Background/Location

- Upon creation, entire district was under an agricultural exemption.
- Area is adjacent to North Lake and a former power plant.
- District created because of difficulty providing water and wastewater services to area
- Planned construction includes 10,000 residential units, 4 million square feet of office, and 150,000 square feet of retail.
- Total build-out is \$1.5 billion+



Project Update – Phase I

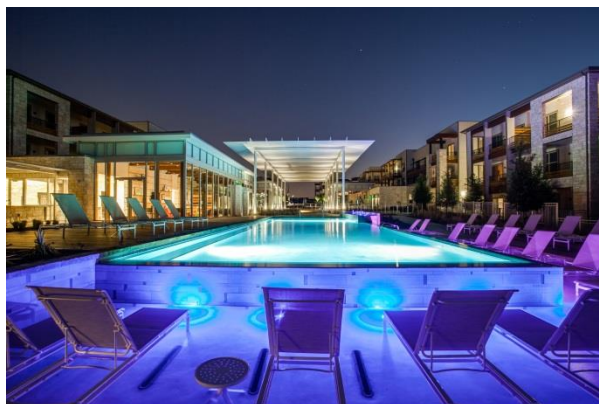
- \$9,757,267 TIF investment (approved June 11, 2011)
- 673 units of multi-family, associated infrastructure, and a temporary public safety building nearly complete
- \$45 million private investment
- Construction nearly complete
- Exceeding mixed income housing goals by 4 units
- Reimbursement expected 2021 (See Appendix 2)



Westwood Residential

Cypress Waters Phase 1

Print #140902698
Date: 09/02/14
Lat/Lon: 32.932917 -96.969820
Order No. 51650
Aerial Photography, Inc. 954-688-0481



Pump station

Westwood Residential

Cypress Waters Phase 1

Print #140102614
Date: 01/02/14
Lat/Lon: 32.932917 -96.969820
Aerial Photography, Inc. 954-688-0481



Project Update – Phase II

- Infrastructure improvements for future office
 - \$6,522,398 TIF investment (approved November 14, 2012)
 - Extensions of Cypress Waters Boulevard and Saintsbury Street, entryways for both streets, associated sidewalks/cycle track, and green space
 - Reimbursement expected by 2023 (See Appendix 2)
- Recently completed and under construction:
- 8950, 8951, and 8840 Cypress Waters Blvd (520,585 sf)
 - 141 residential units - Parsons Green (72 units in TIF district, providing 14 additional affordable units)
 - \$114 million private investment
- Planned construction
- 9001 Cypress Waters Boulevard (218,395 sf)
 - CoreLogic building (325,600 sf)
 - \$99 million total private investment



Billingsley

Cypress Waters
Office Buildings

Proj #14120601
Date: 12/29/14
Lot/Lin: 32 20844 06 08712
Order No: 00000
Aerial Photography, Inc. 954 588 0344



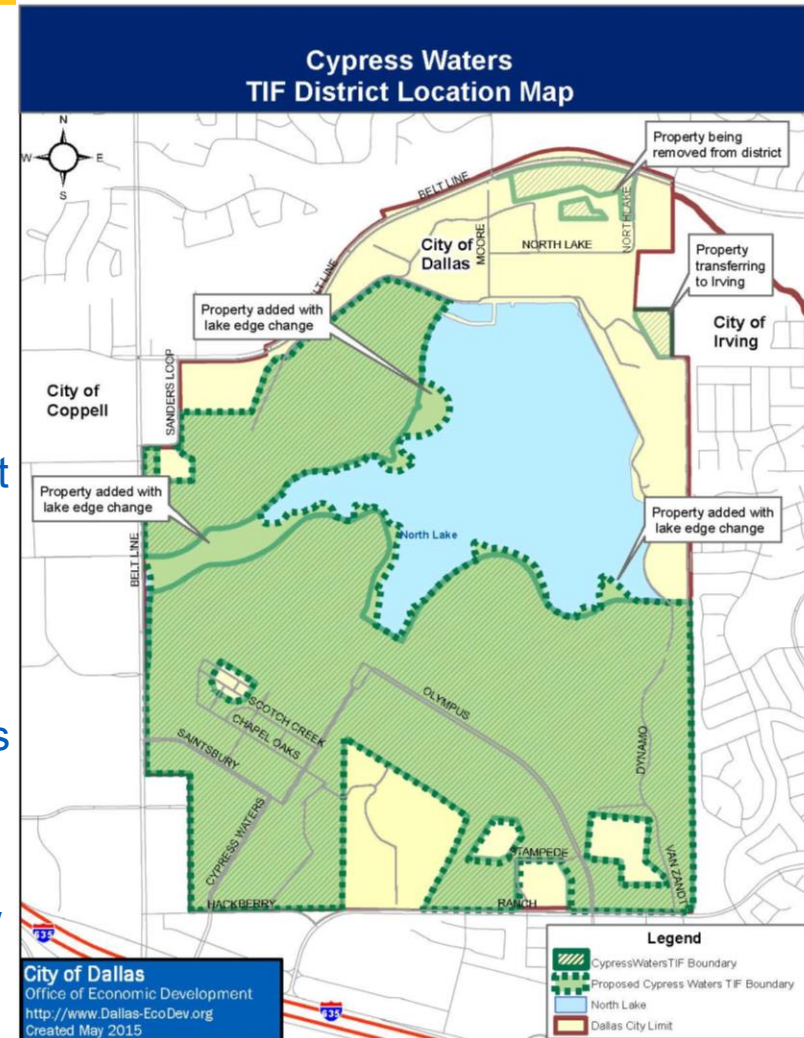
Project Update – Planned Additional Development

- Future development
 - 2,900,000 sf, primarily office space
 - 9,186 residential units
 - 150,000 sf retail
- Schools
 - Three Coppell ISD schools and one potential administrative site in and adjacent to TIF district
- Total build-out value
 - \$1,509,507,625
- Estimated annual revenue to general fund by year 2028
 - \$6,863,308



Proposed Modifications – TIF Plan Amendments

- Terminate TIF early
 - Save \$110 million in potential TIF incentives (See Appendix 2)
 - Developer privately funds water and wastewater infrastructure
 - Existing contracts honored
- Amend TIF boundary
 - Remove 6 acres transferring to Irving
 - Remove 22 acres not served by district (property stays in Dallas)
 - Update to reflect new lake edge
 - Changes increase district to 960 acres
- Additional administrative changes
 - Updated base value once 2015 parcels and values are available
 - Agricultural exemption – minimal base value impact
 - Update infrastructure category to allow TIF funding to be used for Irving-led projects, if necessary



Overview – New Service Proposal

- New service proposal involves an inter-local agreement with Irving and saves nearly \$12 million
- Dallas to help fund Irving-led water/wastewater infrastructure projects in return for permanent water and wastewater capacity
 - New elevated storage tank in Irving
 - Improvements to Irving's Hackberry pump station
 - New 5 million gallon ground storage tank at Northgate pump station
- Dallas to transfer to Irving 6 acres of vacant property more efficiently served by Irving. In return, Irving serves 22 acres on north side of Cypress Waters
- Dallas will make system improvements to Dallas' water system to improve service to Irving.
- See Appendices 4-7 for details

Interlocal Agreement with Irving – Plan for Water/Wastewater

- 2009 plan for water and wastewater provision for area did not include participation with Irving.
- Current plan shares costs for large storage tanks, pump stations, lift stations, transmission lines, etc. between Irving, Dallas, and Billingsley.
- New plan saves \$12 million for the build-out of the area.

Original Water & Wastewater Budget	
Water transmission improvements	\$26,648,440
Sewer transmission improvements	\$26,648,440
Total Estimated Cost	\$48,619,740

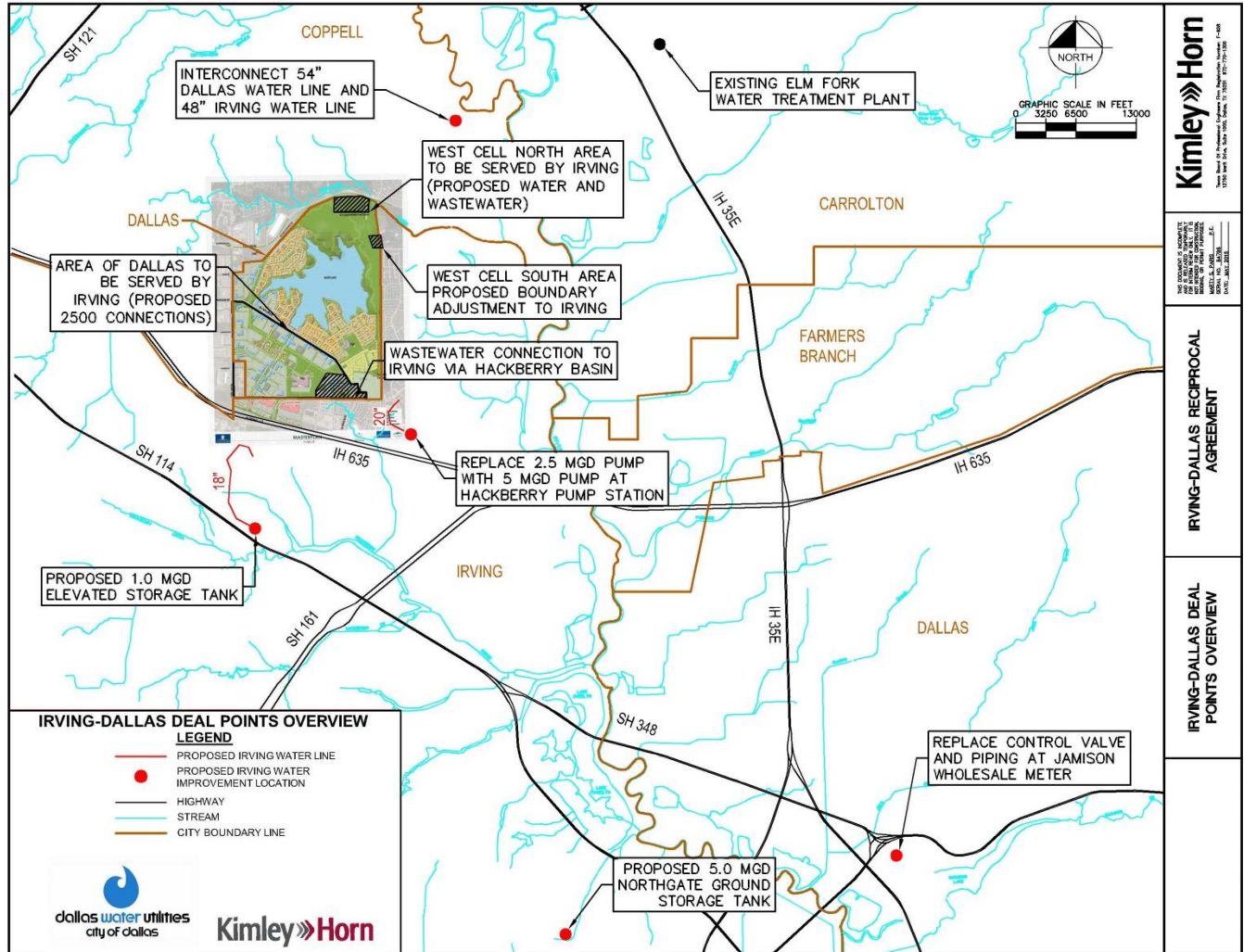
Proposed Water & Wastewater Budget	
Water transmission improvements	\$20,140,000
Sewer transmission improvements	\$16,540,000
Total Estimated Cost	\$36,680,000

Total Savings \$11,939,740
*\$12M savings above includes \$8M saved through interlocal with Irving plus additional savings through phasing changes and value engineering. City is using its savings to improve the system.

New Service Proposal – Inter-local Agreement with Irving

- Meetings took place May 2014 - March 2015
- Freese and Nichols evaluated scenarios with Dallas, Irving, and Billingsley
- Water
 - Provides more redundancy between both Dallas and Irving systems
 - Reduces capital costs to both Dallas and Irving
 - Shares water elevated tank capacity with Irving (cost share)
 - Shares water ground storage capacity with Irving
 - Provides 8.2 MGD in existing 48” line in lieu of new pipe from Elm Fork water transmission pipeline
 - Constructs smaller infrastructure for Dallas in the future
 - Provides reciprocal water service for West Cell North
 - Provide system improvements to Dallas system at Jamison pump station and to Dallas’ 48” water line
- Wastewater
 - Reciprocal service for area near Hackberry Road
 - Reciprocal wastewater service for West Cell North
- See Appendix 3: Reciprocity Plan for details

Interlocal Agreement with Irving – Map



New/modified agreements – DWU Development Agreement with Billingsley

- Billingsley will finalize engineering studies and master plan analysis and advance funds to the City of Dallas to support Irving-led water and wastewater infrastructure improvements.
 - New elevated storage tank in Irving
 - Improvements to Irving's Hackberry pump station
 - New 5 million gallon ground storage tank at Northgate pump station
 - Related water lines
 - Developer cost: \$4M
- Billingsley will design and construct developer-led water and wastewater projects.
 - Water projects: various connections, vaults, lines, and valves for water service
 - Wastewater projects: a 12 MGD lift station; 12,000 LF of force main; and 2,900 LF wastewater main
 - Developer cost: \$7.6M

New/modified agreements – DWU Development Agreement with Billingsley

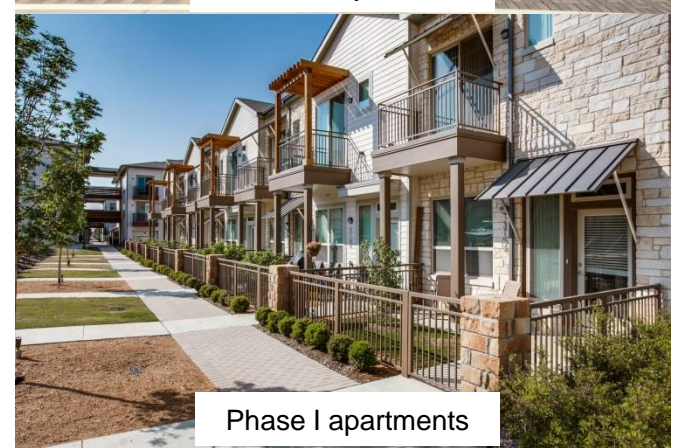
- Dallas will negotiate with Irving to finalize contracts
- DWU will participate up to 30% per standard Chapter 49 procedures
 - City cost for Irving-led infrastructure: \$1.7M
 - City cost for developer-led infrastructure: \$3.3M
- Billingsley receives permanent water and wastewater service to support new construction in Cypress Waters
- Projects to be designed to each city's standards
- No TIF funding

New/modified agreements – Amend MOU with Billingsley

- MOU amendments reflect updated development plans
 - Inter-local agreement between Dallas and Irving
 - Proposed development agreement with DWU
 - Amended TIF Project and Finance Plan
 - Developer meets all TIF policy requirements, including requirement for affordable housing, within boundaries of project served by Cypress Waters Phase I and Phase II
 - Developer released from future mixed income housing, M/WBE, and design review obligations for remaining build-out of the District (outside of the Phase I and II areas) in consideration for early termination of the district.
- See Appendices 8 and 9 for water and wastewater details

New/modified agreements – Phase I and II Amendments

- Cypress Waters Phase I
 - Redirect approximately \$206,681 in savings from roadways to temporary public safety building.
 - Extend completion deadlines from December 2014 to July 2015
 - Make minor design updates
- Cypress Waters Phase II
 - Originally divided into three portions over next several years.
 - Amendments move Saintsbury Street from Phase 2c to Phase 2a
 - Extend start and completion dates by approximately one year:
 - Amended start: April 2014
 - Amended completion: April 2015
 - Make minor design updates
- O&M to be executed by July 2015



Recommended Actions

Economic Development Committee approval for Council consideration of following items:

June 10, 2015

- Approve minor amendments to Phase I and II development agreements
- Hold a public hearing on June 10, 2015 to amend the Cypress Waters TIF District Project Plan and Reinvestment Zone Financing Plan to:
 - Amend the geographic area to remove 6 acres being transferred to Irving and 22 acres not served by the District and incorporate changes to the lake edge.
 - Decrease the TIF budget by approximately \$110M total dollars (\$39M NPV) to reflect reduced TIF needs in the area

June 17, 2015

- Authorize interlocal agreement with Irving for reciprocal water/wastewater
- Authorize development agreement between DWU and Billingsley LD, Ltd.
- Authorize amendment to the MOU between City and Billingsley LD, Ltd.
- Resolution to authorize boundary adjustment agreement with Irving

August 2015

- Ordinance to complete boundary adjustment with Irving

- Appendices

Appendix 1

TIF Plan Amendments

- Amended budget reflects:
 - Reimbursement of Phase I and II projects
 - Funding for future permanent public safety building
 - Funding for Irving-led infrastructure (if needed)
 - Administration expenses
- Budget projected to be met in 2027, approximately 7 years early

Original TIF District Project Plan Improvement Budget		
Category	Total Estimated TIF Expenditure (NPV - 2010 Dollars)*	Estimated TIF Expenditure (Total)**
Infrastructure Improvements	\$58,198,683	\$146,736,338
Public Safety Improvements	\$6,000,000	\$11,313,895
Administrative & Implementation***	\$1,500,000	\$2,065,585
Total Project Costs	\$65,698,683	\$160,115,818

* All values discounted to 2010 dollars at 5% annually. Total dollar expenditure value will depend on timing of project cost.

** All values are estimated based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate. An interest rate of 5% is used throughout the TIF term.

***Admin is calculated at \$60,000 per active year, in 2010 dollars. Estimated total admin is inflated at 3% per year

Note: in addition, DWU may agree to fund up to 30% of TIF-eligible water and sewer improvements.

Amended TIF District Project Plan Improvement Budget		
Category	Total Estimated TIF Expenditure (NPV - 2010 Dollars)*	Estimated TIF Expenditure (Total)**
Infrastructure Improvements	\$18,279,665	\$35,273,767
Public Safety Improvements	\$6,000,000	\$11,313,895
Administrative & Implementation***	\$1,500,000	\$2,878,190
Total Project Costs	\$25,779,665	\$49,465,852

* All values discounted to 2010 dollars at 5% annually. Total dollar expenditure value will depend on timing of project cost.

** All values are estimated based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate. An interest rate of 5% is used throughout the TIF term.

***Admin is calculated at \$60,000 for 25 years, in 2010 dollars. Estimated total admin follows total dollar growth

Note: In addition, DWU may agree to fund up to 30% of TIF-eligible water and sewer improvements.

Appendix 2

TIF Increment Chart

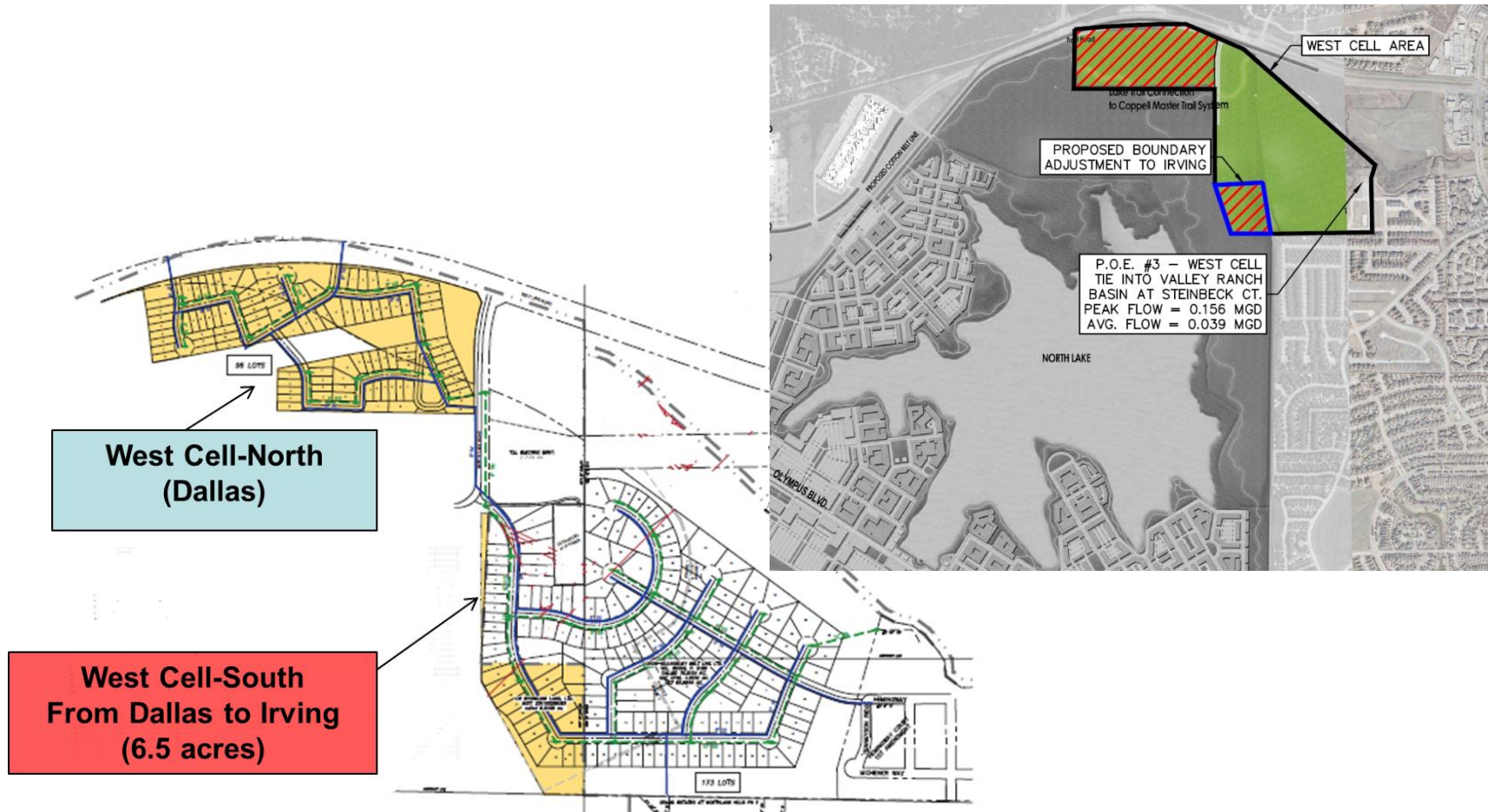
PROJECTED TIF INCREMENT SCHEDULE									
Tax Year	Property Value Total	Anticipated Captured Value	Part'n Rate City	TIF Contribution City*	Part'n Rate County	TIF Contribution Dallas County	Total TIF Contribution	TOTAL TIF 2009 NPV @ 5.00%	
Original base	\$73,382		.797		.2431				
new base	2010	\$71,372	\$0	\$0		\$0	\$0		
1	2011	\$73,382	\$0	0.00%	\$0	0.00%	\$0	\$0	
2	2012	\$219,395	\$146,013	85.00%	\$989	0.00%	\$0	\$989	
3	2013	\$9,625,083	\$9,551,701	85.00%	\$64,708	0.00%	\$0	\$64,708	
4	2014	\$59,427,196	\$59,353,814	85.00%	\$402,092	55.00%	\$79,359	\$481,451	
5	2015	\$108,834,211	\$108,762,839	85.00%	\$736,814	55.00%	\$145,421	\$882,235	
6	2016	\$176,515,946	\$176,444,574	85.00%	\$1,195,324	55.00%	\$235,915	\$1,431,239	
7	2017	\$220,366,220	\$220,294,848	85.00%	\$1,492,387	55.00%	\$294,545	\$1,786,933	
8	2018	\$277,783,900	\$277,712,528	85.00%	\$1,881,364	55.00%	\$371,316	\$2,252,679	
9	2019	\$363,395,558	\$363,324,186	85.00%	\$2,461,340	55.00%	\$485,783	\$2,947,122	
10	2020	\$406,908,992	\$406,837,620	85.00%	\$2,756,121	55.00%	\$543,962	\$3,300,084	
11	2021	\$489,439,953	\$489,368,581	85.00%	\$3,315,227	55.00%	\$654,310	\$3,969,538	
12	2022	\$523,679,053	\$523,607,681	85.00%	\$3,547,180	55.00%	\$700,090	\$4,247,270	
13	2023	\$603,717,263	\$603,645,891	85.00%	\$4,089,399	55.00%	\$807,105	\$4,896,504	
14	2024	\$625,460,522	\$625,389,150	85.00%	\$4,236,699	55.00%	\$836,177	\$5,072,875	
15	2025	\$693,253,507	\$693,182,135	85.00%	\$4,695,962	55.00%	\$926,819	\$5,622,782	
16	2026	\$728,245,252	\$728,173,880	85.00%	\$4,933,014	55.00%	\$973,605	\$5,906,619	
17	2027	\$823,257,397	\$823,186,025	85.00%	\$5,502,184	55.00%	\$1,100,641	\$6,602,825	
18	2028	\$861,214,201	\$861,142,829	0.00%	\$0	0.00%	\$0	\$25,779,665	
19	2029	\$918,840,991	\$918,769,619	0.00%	\$0	0.00%	\$0	\$25,779,665	
20	2030	\$932,623,606	\$932,552,234	0.00%	\$0	0.00%	\$0	\$25,779,665	
21	2031	\$1,007,123,484	\$1,007,052,112	0.00%	\$0	0.00%	\$0	\$25,779,665	
22	2032	\$1,044,939,439	\$1,044,868,067	0.00%	\$0	0.00%	\$0	\$25,779,665	
23	2033	\$1,105,322,107	\$1,105,250,735	0.00%	\$0	0.00%	\$0	\$25,779,665	
24	2034	\$1,145,626,041	\$1,145,554,669	0.00%	\$0	0.00%	\$0	\$25,779,665	
25	2035	\$1,222,305,956	\$1,222,234,584	0.00%	\$0	0.00%	\$0	\$25,779,665	
26	2036	\$1,263,349,648	\$1,263,278,276	0.00%	\$0	0.00%	\$0	\$25,779,665	
27	2037	\$1,341,795,417	\$1,341,724,045	0.00%	\$0	0.00%	\$0	\$25,779,665	
28	2038	\$1,384,631,451	\$1,384,560,079	0.00%	\$0	0.00%	\$0	\$25,779,665	
29	2039	\$1,464,896,448	\$1,464,825,076	0.00%	\$0	0.00%	\$0	\$25,779,665	
30	2040	\$1,509,578,997	\$1,509,507,625	0.00%	\$0	0.00%	\$0	\$25,779,665	
31	2041			0.00%	\$0	0.00%	\$0	\$25,779,665	
32	2042			0.00%	\$0	0.00%	\$0	\$25,779,665	
33	2043			0.00%	\$0	0.00%	\$0	\$25,779,665	
34	2044			0.00%	\$0	0.00%	\$0	\$25,779,665	
35	2045			0.00%	\$0	0.00%	\$0	\$25,779,665	
36	2046			0.00%	\$0	0.00%	\$0	\$25,779,665	
37	2047			0.00%	\$0	0.00%	\$0	\$25,779,665	
38	2048			0.00%	\$0	0.00%	\$0	\$25,779,665	
39	2049			0.00%	\$0	0.00%	\$0	\$25,779,665	
40	2050			0.00%	\$0	0.00%	\$0	\$25,779,665	
41	2051			0.00%	\$0	0.00%	\$0	\$25,779,665	
*TIF fund collection includes both RP tax and agricultural exemption rollback taxes				\$41,310,805		\$8,155,047	\$49,465,852		
NPV				\$21,534,143		\$4,245,522	\$25,779,665		

Appendix 3 – Interlocal Agreement Reciprocity Plan

DALLAS-IRVING WATER-WASTEWATER			
ITEM	Summary	DALLAS GIVES (IRVING GETS)	DALLAS GETS (IRVING GIVES)
A	Reciprocal Service-West Cell	6.5 acres Residential Development in Dallas to Irving (Boundary Adjustment) of South West Cell	Water, Wastewater, and stormwater reciprocal services for 22 acres of North West Cell (in Dallas) from Irving
B	Water Connections	25% of the cost of Irvings 1 MG Elevated Storage Tank & 18" Water Line	2500 Permanent water connections for SW Cypress Waters Smaller future Dallas ground storage tank
		100% of applicable Irving Hackberry Pump Station Improvements and 20" Water line	Smaller future Dallas elevated tank in the future
C	Supply Exchange	80% of the cost of Irving Northgate ground storage project	8.2 MGD of water from Irving's 48" waterline; No need for Dallas to build new line from Elm Fork in the future
		Jamison meter station upgrade to move more water north*	
		54"-48" Water Transmission Interconnect*	
D	Wastewater Reciprocal	NA	0.3 MGD Flow into Irving along Hackberry for Coppell ISD and other Dallas uses
*Does not involve Billingsley Development, Dallas System Improvement			

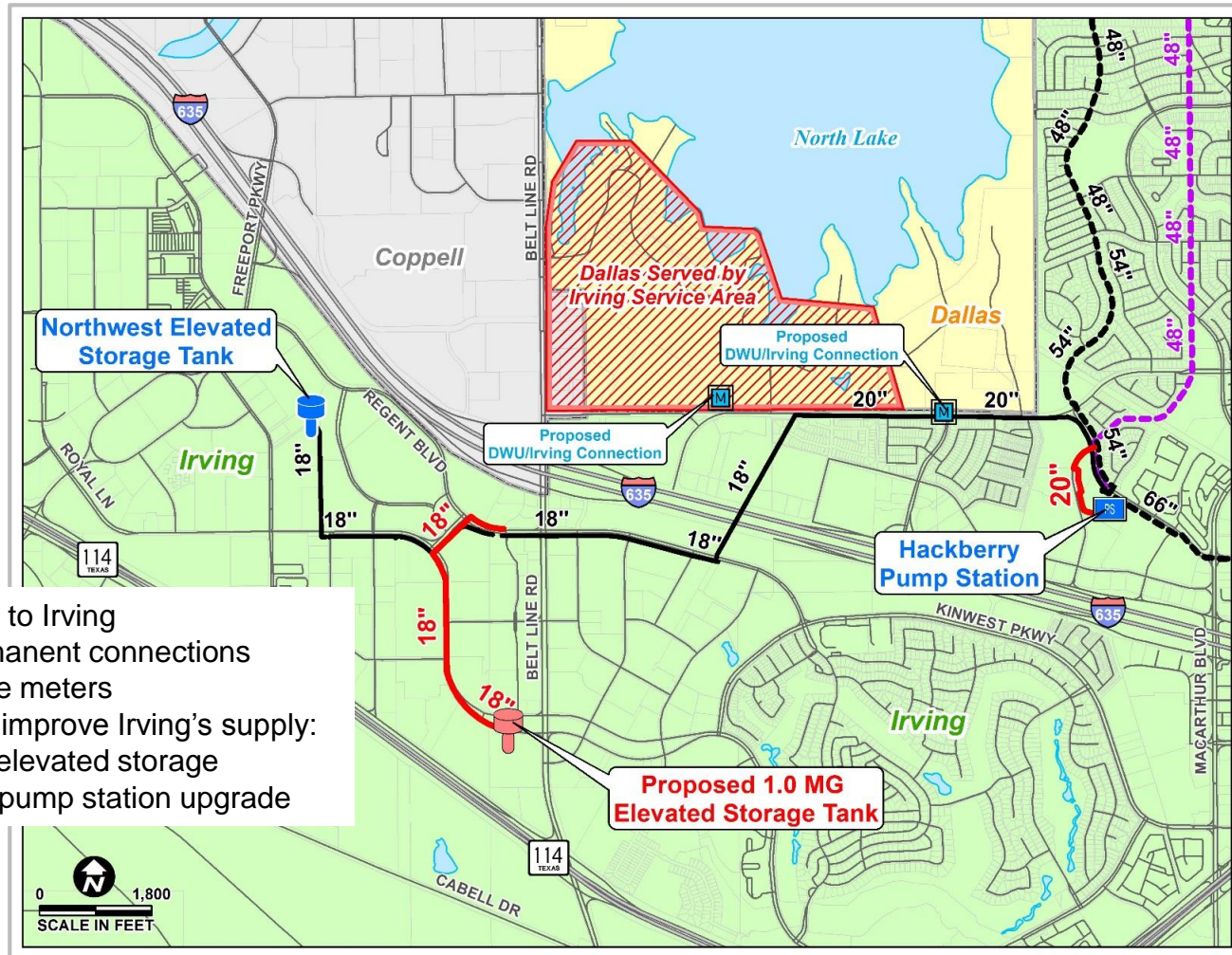
Appendix 4

Maps for ILA – West Cell



Appendix 5

Maps for ILA - Water Service (southwest)



Connect Dallas to Irving

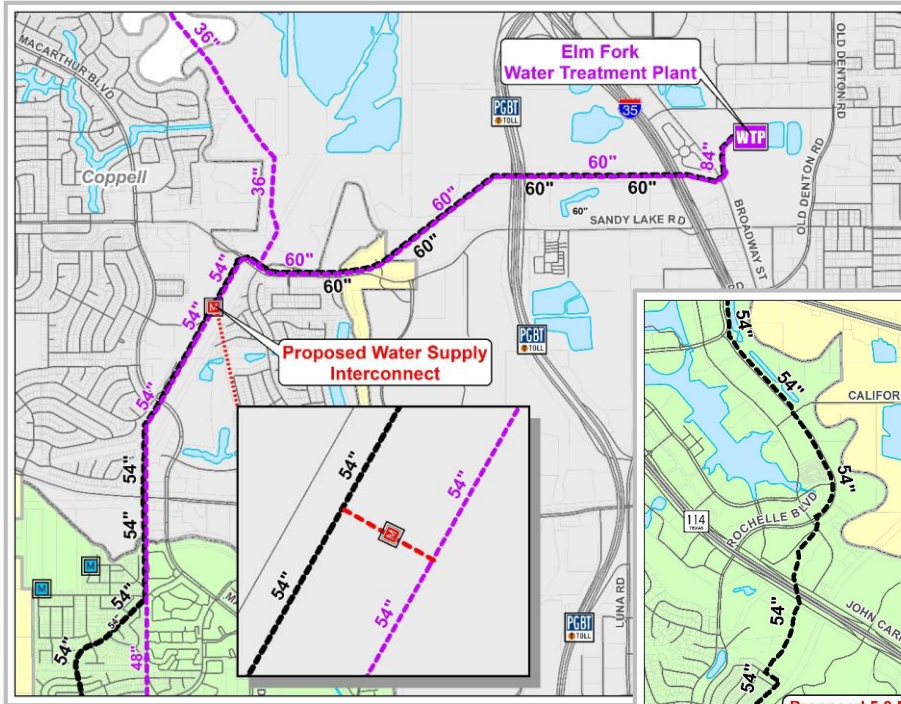
- 2,500 permanent connections
- 2 wholesale meters

Dallas helps to improve Irving's supply:

- New 1MG elevated storage
- Hackberry pump station upgrade

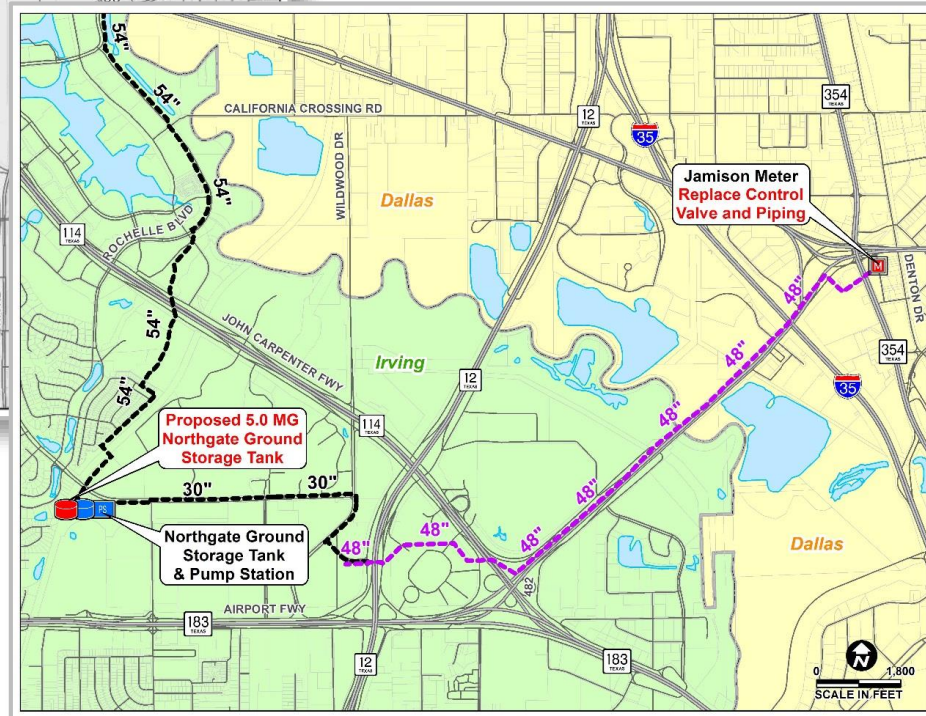
Appendix 6

Maps for ILA - Water Supply



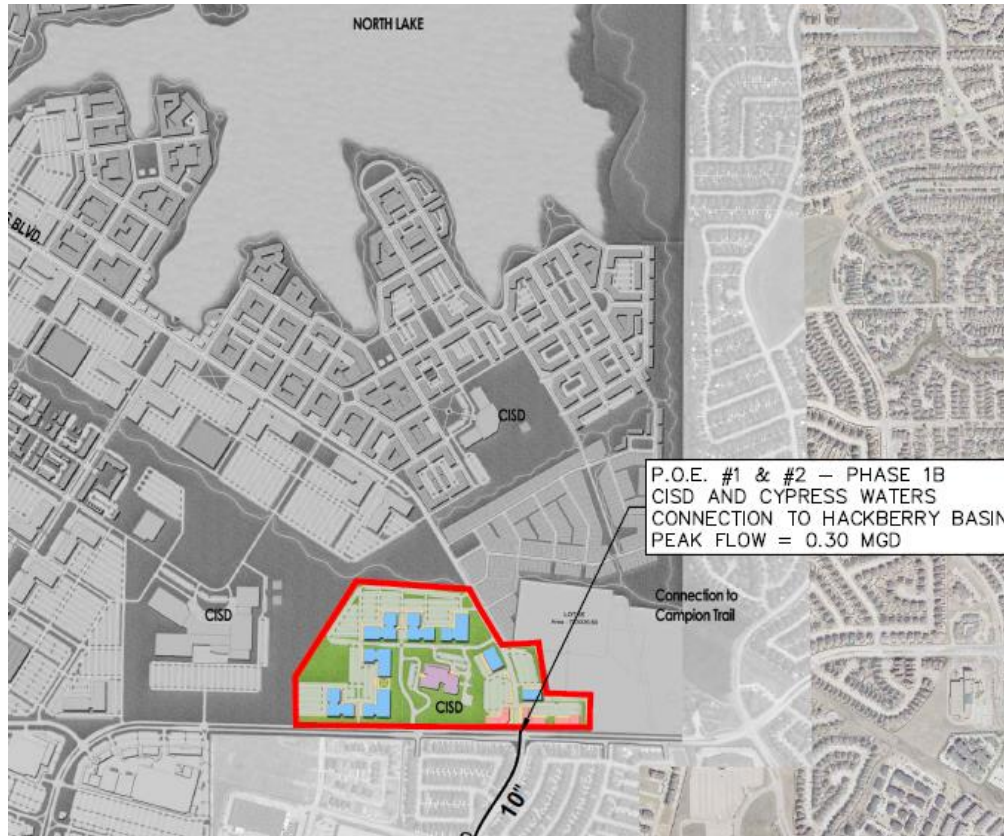
Dallas helps to improve Irving's supply:

- Dallas upgrades its Jamison station
- Install 5 MG ground storage at Northgate
- Install 54"-48" connection



Appendix 7

Maps for ILA - Wastewater Reciprocal

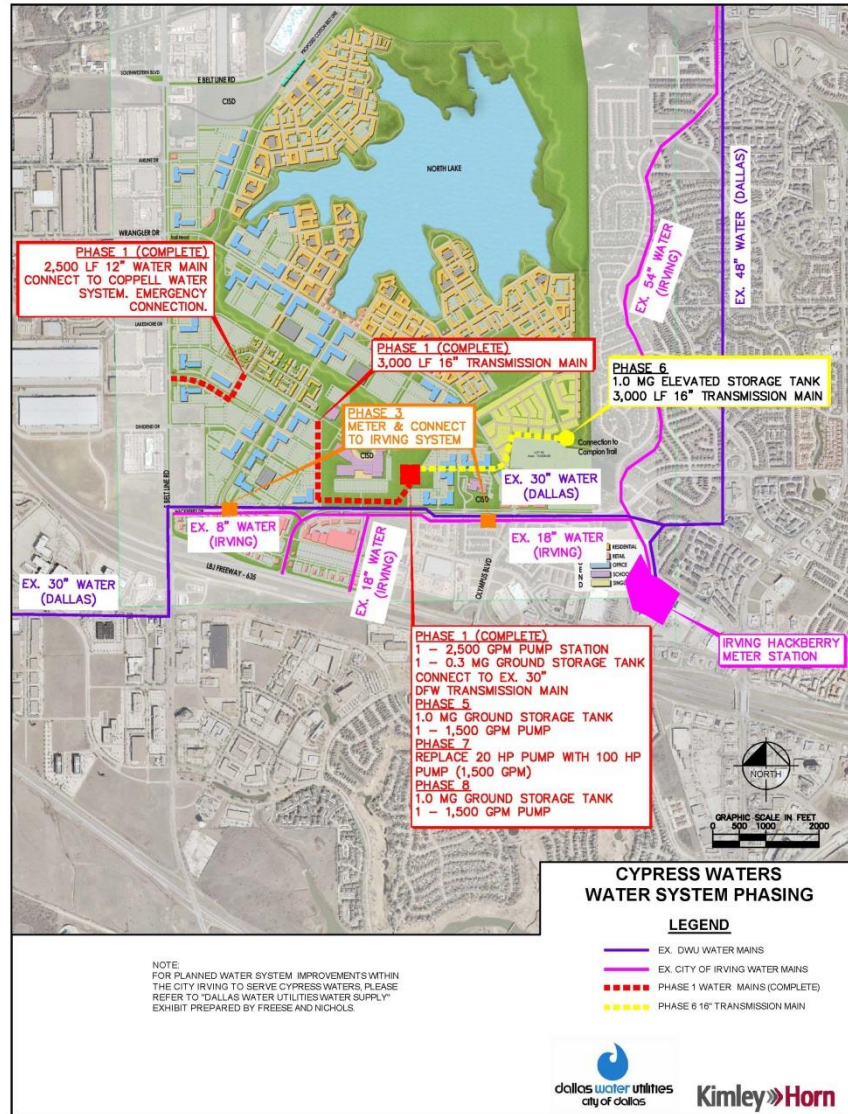


Connect Dallas to Irving for wastewater service at Hackberry to serve:

- Coppell ISD
- Commercial buildings

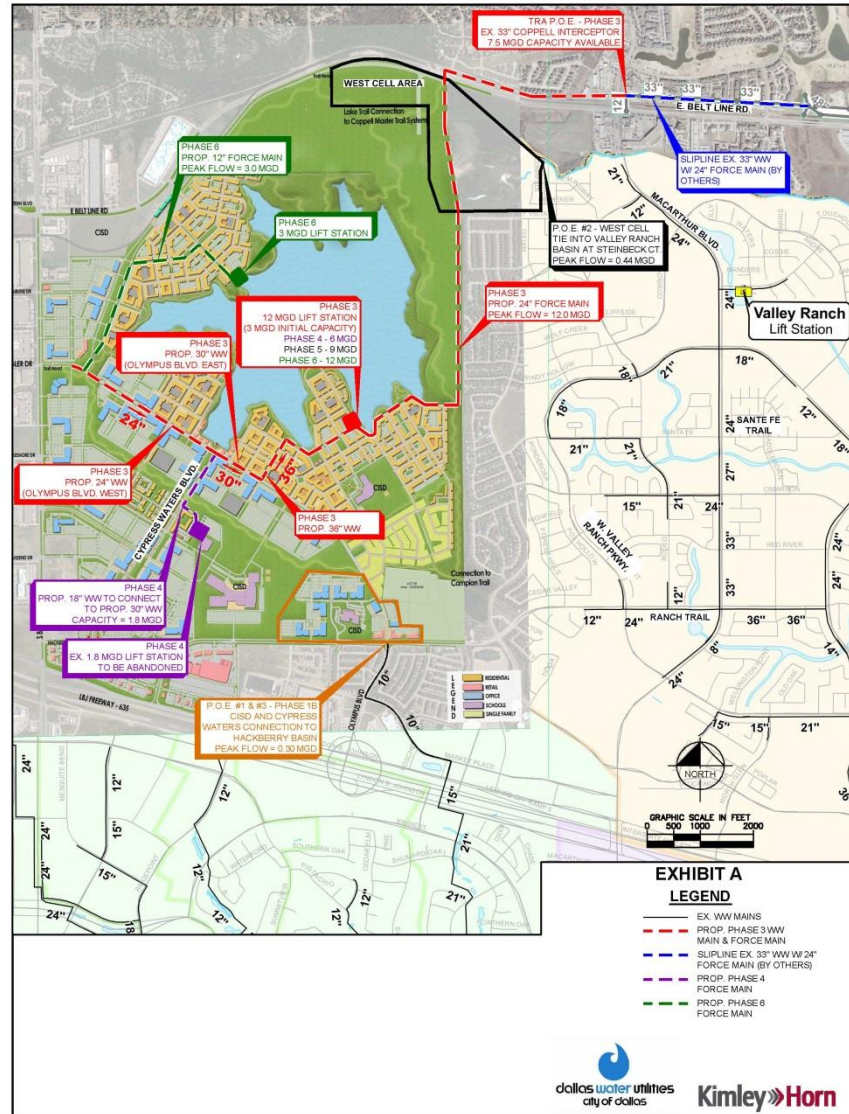
Appendix 8

Maps for MOU – Water Phasing



Appendix 9

Maps for MOU – Wastewater Phasing



Appendix 10

Past City Council Actions - Timeline

- **May 26, 2010** – original approval of Cypress Waters MOU
- **December 8, 2010** – establish Cypress Waters TIF District
- **June 8, 2011** – approve Cypress Waters Final Plan
- **June 8, 2011** – approve funding for Cypress Waters Phase I
- **November 14, 2012** – approve funding for Cypress Waters Phase II
- **June 10, 2015** – amend Cypress Waters TIF Plan

Memorandum



DATE **May 29, 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 **Saint Elm Hotel and Corrigan Tower- Downtown Connection TIF**

On Monday, June 1, 2015, the Economic Development Committee will be briefed on the Saint Elm Hotel and Corrigan Tower- Downtown Connection TIF. The briefing materials are attached for your review.

Should you have any questions, please contact me.



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

Saint Elm Hotel and Corrigan Tower
Downtown Connection TIF District

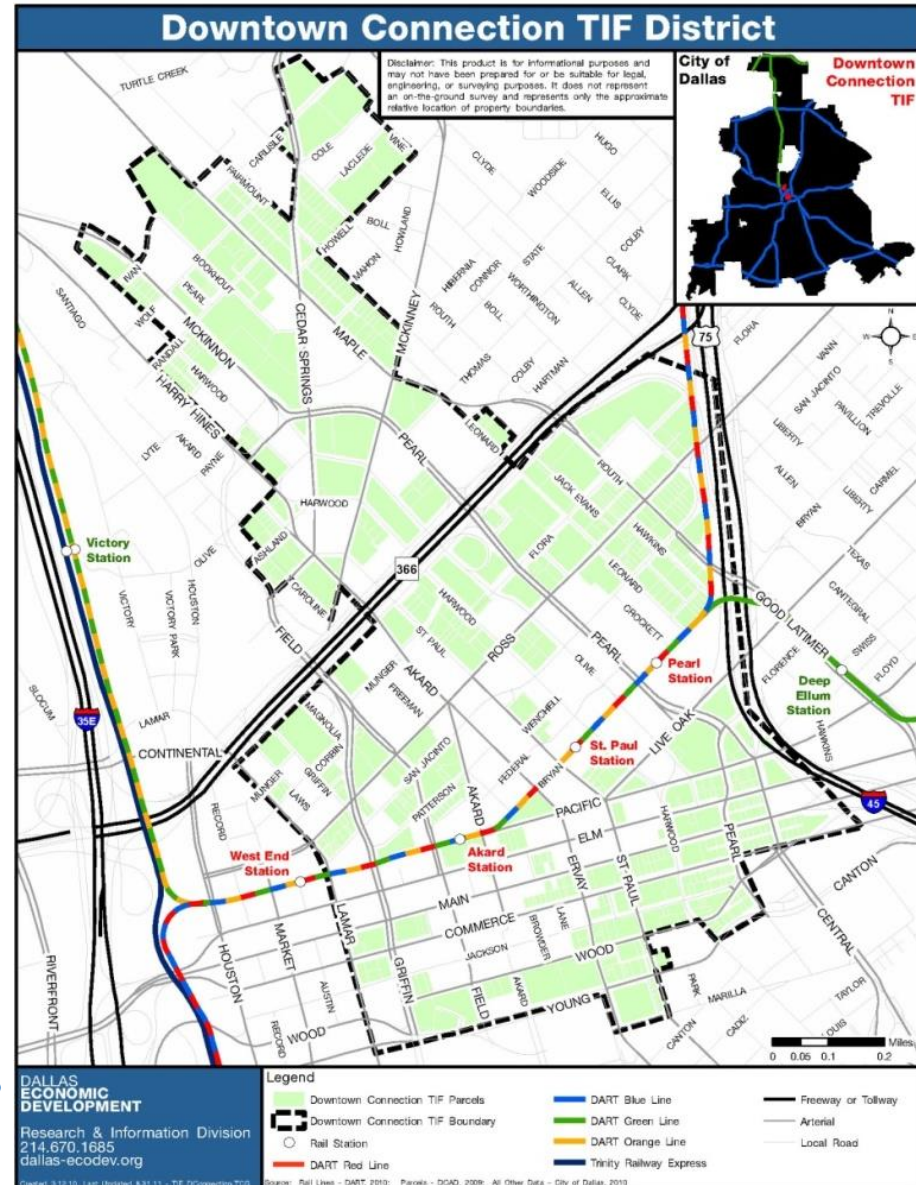
Economic Development Committee
June 1, 2015

Purpose

- Provide background information on Downtown Connection TIF District
- Review proposed development agreement amendments
- Review the Saint Elm Hotel and Corrigan Tower redevelopment project
- Review Budget Status of Downtown Connection TIF District
- Obtain Economic Development Committee's approval for consideration of the proposed development agreement amendments by City Council on June 10, 2015

Downtown Connection TIF District Background

- Created June 2005
- Project Plan and Reinvestment Zone Financing Plan originally approved August 2005, amended May 2013 to increase budget for district
- Expires December 31, 2035, or when approximately \$491.8 million in TIF increment has been collected (NPV of \$231.6 million), see Appendix E.
- Established to fund projects creating a greater density/critical mass of development within an expanded Downtown core with focus on strengthening connectivity to/between the core and growing downtown areas



Tower Petroleum and Corrigan Tower

Background – 2012 Development Agreement

- August 2012, City Council authorized development agreement with PetroCorrigan Towers, L.P. for redevelopment of Tower Petroleum and Corrigan Tower buildings
- Project Included
 - 258 residential units (in both buildings)
 - 4,400 square feet of ground floor retail
 - First four floors of Corrigan Tower would be converted to parking for residents
- TIF Incentives: \$10,300,000
- Not financially feasible due to lack of on-site parking



Saint Elm Hotel and Corrigan Tower

Project Description – Amended Project Scope

Phased Project (see Appendices B, C and D)

- **Phase I – Saint Elm Hotel** (Tower Petroleum Bldg and First 4 levels of Corrigan Tower)
 - 150 Hotel Rooms
 - Hotel lobby and restaurant on ground level of Tower Petroleum Building
 - 3 retail/restaurant spaces and motor court on ground level of Corrigan Tower Building
 - Levels 2 thru 4 of Corrigan Tower will be renovated for hotel use and future residential management offices, residential fitness center
 - **Start Construction: June 2015**
 - **Complete Construction: December 2017**



Saint Elm Hotel and Corrigan Tower

Project Description – Amended Project Scope

Phased Project (see Appendices B, C and D)

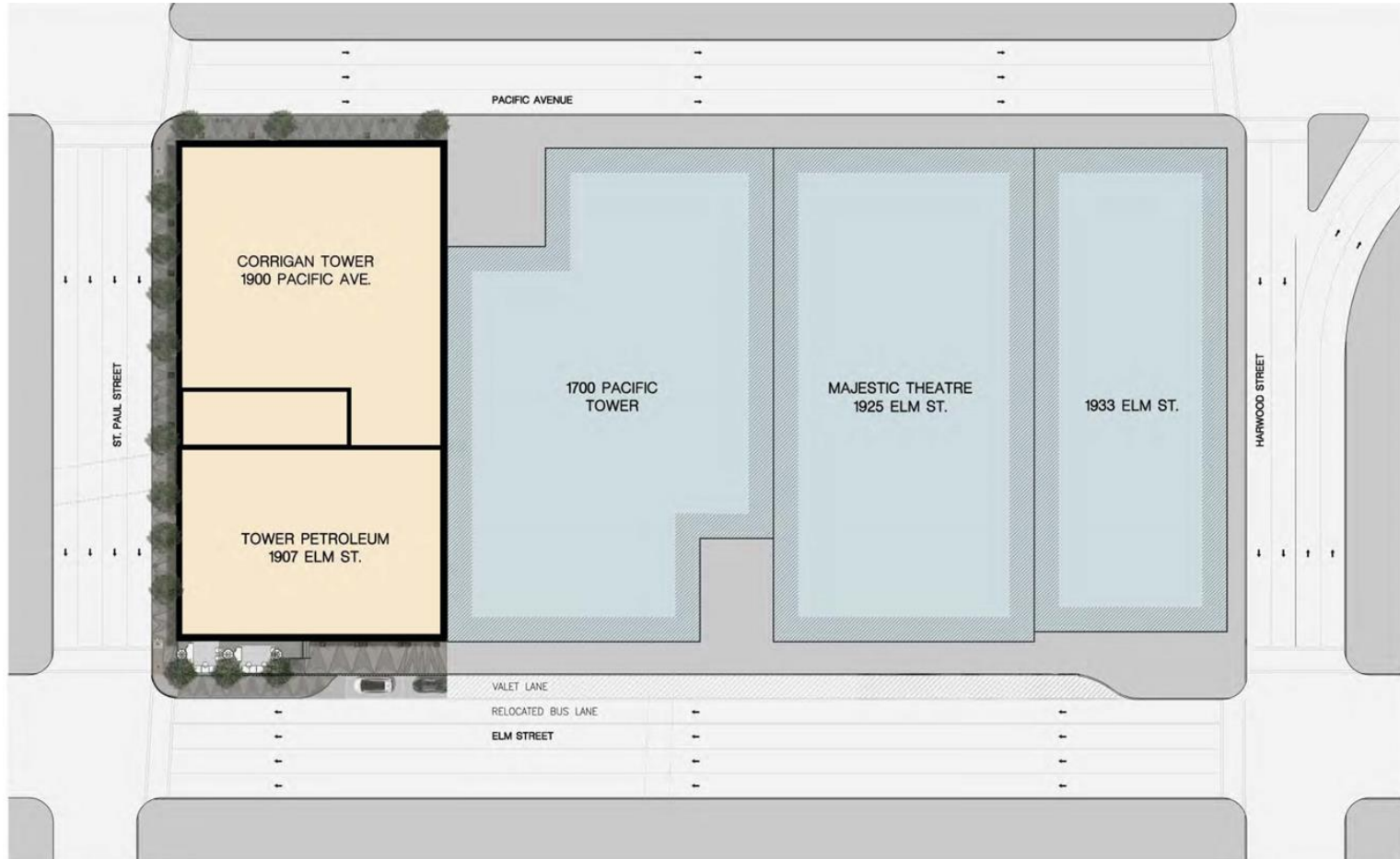
- **Phase II – Floors 5 thru 17 of Corrigan Tower Building**
 - 150 Residential Units
 - Rooftop Pool
 - **Start Construction:** December 2020 or within 3 years of Saint Elm Hotel opening
 - **Complete Construction:** June 2022
- **Total Project Cost:** \$102,402,463 (Phase I - \$68.6M; Phase II - \$33.8M)
- **Amended TIF Funding Request:** \$20,000,000 (Phase I - \$10.3M; Phase II - \$9.7M)
- **Phase II construction must start within 3 years of Saint Elm Hotel opening or Phase II TIF funding will be forfeited.**
- **Parking:** Project design includes a motor court for valet service
 - **Phase I:** Hotel valet and off-site parking managed by Parking Company of America
 - **Phase II:** Developer is currently negotiating parking for future residents
- **Design Review:** Urban Design Peer Review Panel reviewed project's design
- **Historic Tax Credits:** Developer has applied for State and Federal Historic Tax Credits

Saint Elm Hotel and Corrigan Tower

Developer – PetroCorrigan Towers, LP

- **John Kirtland** – Prior to founding PetroCorrigan Towers, LP in 2013, Mr. Kirtland and his affiliated businesses participated in over a billion dollars in transactions over the last 15 years, successfully funding the acquisition, improvement, and operation of over 250 properties, and personally managing assets valued in excess of \$100,000,000. Texas based hotel development, construction, and management firm.
- **Robert Boulogne** – A 30-year veteran of the hospitality industry, Mr. Boulogne most recently served as Chief Operating Officer of Rosewood Hotels & Resorts, a privately held luxury hospitality management company. While with Rosewood, Bob led the expansion of the company's hotel portfolio, overseeing the opening of six new Rosewood properties in a period of three years, while developing five others. Additionally, under his leadership, Rosewood completed four extensive, highly regarded renovations on existing properties.

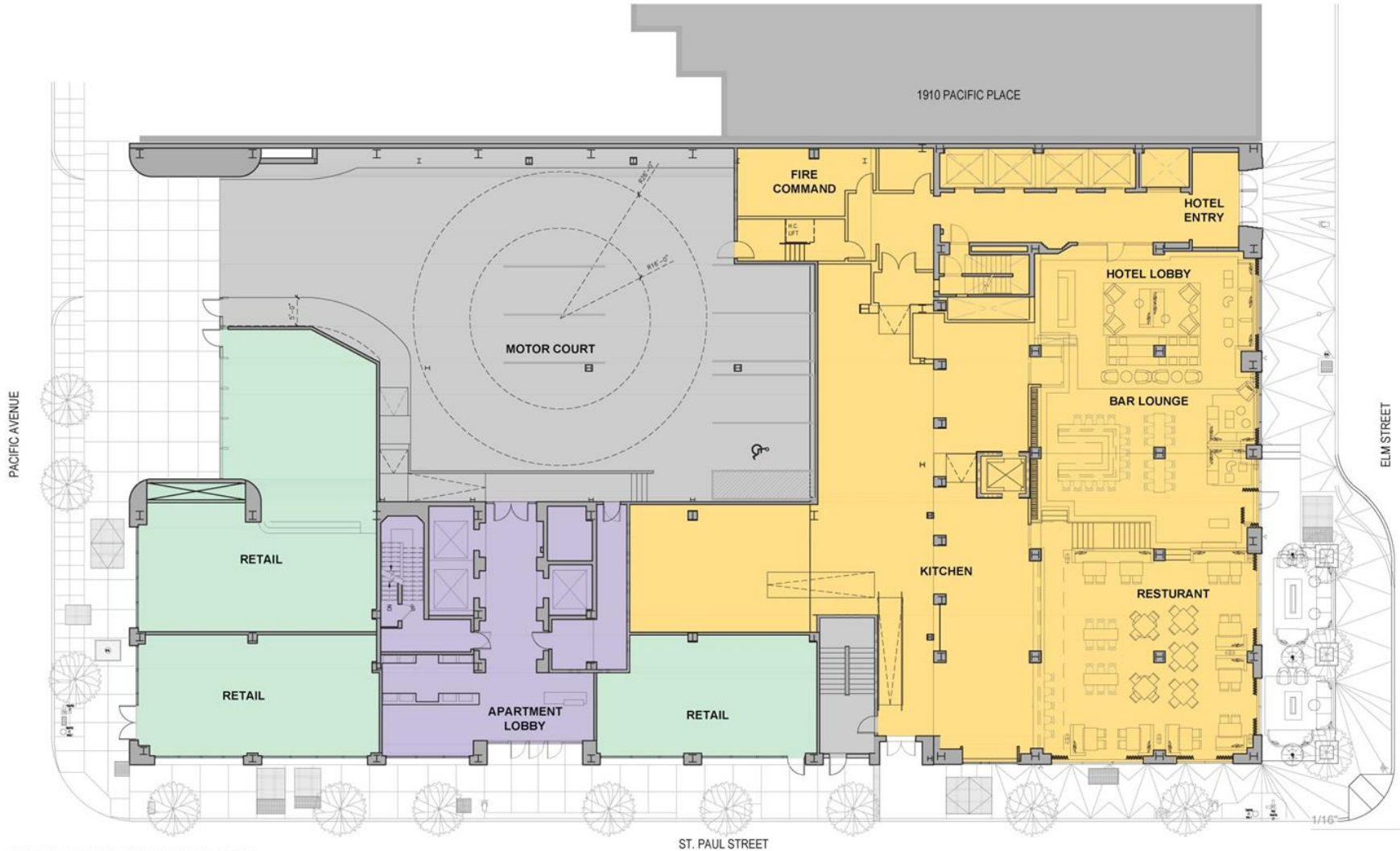
Saint Elm Hotel and Corrigan Tower *Project Site Plan*



The SAINT ELM Hotel
dallas, texas
maa.2014024 08.01.14

Saint Elm Hotel and Corrigan Tower

Ground Level Plan



THE SAINT ELM HOTEL/CORRIGAN TOWER

dallas, texas

maa 2014024/2015024

03.05.2015

dallas-ecodev.org

Saint Elm Hotel and Corrigan Tower *Project Renderings*



Elm St. Rendering – Tower Petroleum Bldg

Pacific Ave. Rendering – Corrigan Tower Bldg



Saint Elm Hotel and Corrigan Tower

Project Funding Sources and Uses

Sources	Phase I	Phase II	Total	%	Uses
Private Equity	\$12,000,000	\$5,500,000	\$17,500,000	17%	Acquisition and Construction
State and Federal Historic Tax Credits	\$15,964,047	\$7,312,035	\$23,276,082	23%	Construction
Deferred Developer's Fee	\$5,900,000	\$2,700,000	\$8,600,000	8%	Construction
Construction Loan	\$34,759,032	\$18,267,529	\$53,026,561	52%	Construction
Totals	\$68,623,079	\$33,779,564	\$102,402,643	100%	

Saint Elm Hotel and Corrigan Tower

Proposed TIF Funding

- Proposed TIF funds will reimburse costs associated with redeveloping a vacant building: environmental remediation/demolition, historic façade restoration, streetscape and utilities
- This project would not occur, but for TIF funding
- Specific TIF Funding Conditions, see **Appendix A**

Description	Amount
Redevelopment of Vacant/Underutilized Downtown Buildings	
Phase I	
<i>Streetscape Improvements</i>	\$500,000
<i>Economic Development TIF Grant</i>	\$9,800,000
Total TIF Funding Recommended - Phase I	\$10,300,000
Phase II	
<i>Economic Development TIF Grant</i>	\$9,700,000
Total TIF Funding Recommended - Phase II	\$9,700,000
Total TIF Funding Recommended - Phases I & II	\$20,000,000

Saint Elm Hotel and Corrigan Tower

TIF Board Funding Recommendation

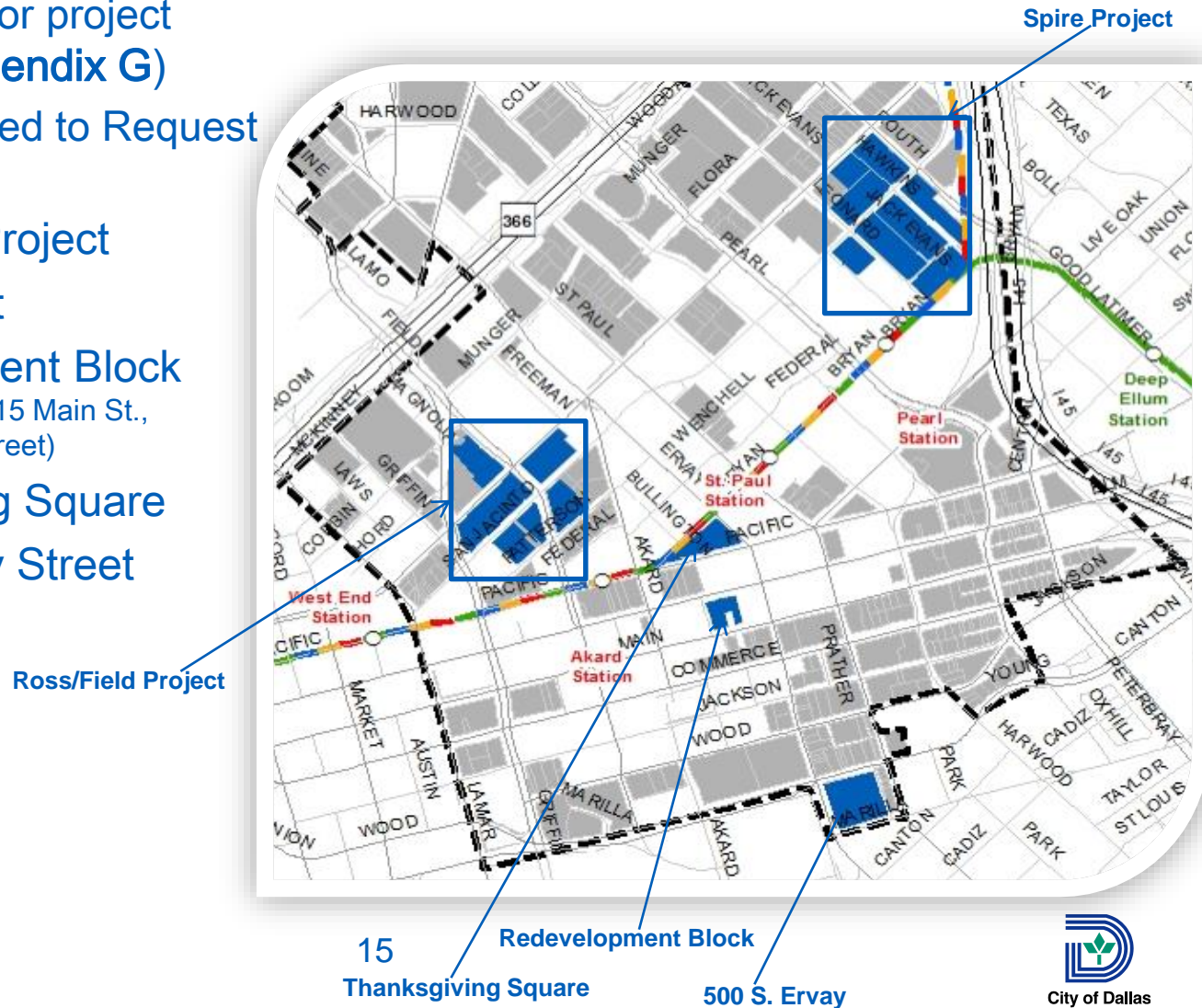
- On March 12, 2015, the Downtown Connection TIF District Board of Directors reviewed and recommended approval of: (1) an increase in TIF incentives from an amount not to exceed \$10,300,000 to an amount not to exceed \$20,000,000, of which 19,500,000 is in the form of an Economic Development TIF Grant, in consideration of increase in private investment; (2) separation of project into two phases; (3) change in use of the buildings from residential to hotel, retail, and/or restaurant use in the Tower Petroleum building and commercial, retail, restaurant and/or residential uses in the Corrigan Tower building; and (4) amending project requirements and deadlines to reflect the change in project scope.
- Specific TIF Funding Conditions, see **Appendix A**

Strategic Importance of Proposed Project

- Activates two vacant buildings in the downtown core
- Historic restoration of the buildings
- Project is adjacent to planned Pacific Plaza park
- Increases downtown residential population and hotel rooms helping to create critical mass in the CBD
- Creates ground floor activity on Elm Street, Pacific Avenue and St. Paul Street

Remaining Downtown Projects/Priorities

- \$11.9M remains for project funding (see Appendix G)
- Projects Anticipated to Request TIF Funding:
 - Ross/Field Project
 - Spire Project
 - Redevelopment Block (1607 Main St., 1615 Main St., 1600 -1614 Elm Street)
 - Thanksgiving Square
 - 500 S. Ervay Street



Recommendation

- Staff requests Economic Development Committee's approval of consideration of a development agreement amendment with PetroCorrigan Towers, L.P., to: (1) increase TIF incentives from \$10,300,000 to an amount not to exceed \$20,000,000, of which 19,500,000 is in the form of an Economic Development TIF Grant; (2) separate the project into two phases; (3) change the use of the buildings; and (4) amend project requirements and deadlines to reflect the changes in project scope.

APPENDICES

Appendix A: Saint Elm Hotel and Corrigan Tower *TIF Funding Conditions*

- Redevelopment of the Property will be phased and shall include (the “Project Improvements”):
 - **Phase I**
 - Minimum 3,000 square feet of ground floor retail/restaurant/bar space, exclusive of hotel lobby space; and
 - Minimum 70,000 square feet hotel room/meeting rooms/fitness/spa/office/public space (approximately 150 rooms); and
 - Renovation of floors 1 through 4 of the Corrigan Tower building to a white box condition, as described below; and
 - Public Infrastructure Improvements for both buildings, as depicted on approved streetscape plans for the Project.
 - **Phase II**
 - Minimum 130,000 square feet of commercial and/or residential lease space on floors 5 through 17 of the Corrigan Tower building renovated to a white box condition, as described below.
- To obtain \$10,300,000 of the TIF Reimbursement for Phase I of the Project:
 - Minimum private investment of \$51,750,000 for Phase I of the Project, inclusive of acquisition, construction and construction related soft costs.
- Phase I Investment shall include a minimum of \$2,550,000 for the following TIF Eligible expenditures associated with the Project:
 - Streetscape Improvements Per Approved Plan – minimum \$250,000; and
 - Historic Façade Restoration for both buildings – minimum \$1,300,000; and
 - Demolition and Abatement – minimum \$1,000,000.

Appendix A: Saint Elm Hotel and Corrigan Tower *TIF Funding Conditions (Continued)*

- Obtain a building permit and start construction and/or demolition of either phase of the Project by June 30, 2015;and
- Complete construction of Phase I Project Improvements and obtain a Certificate of Occupancy (CO) for the hotel portion of the Project by December 31, 2017; and
- Saint Elm Hotel shall be operational and a minimum of at least 50% of ground floor retail/restaurant space in both buildings shall obtain a CO and must be occupied prior to TIF Reimbursement for Phase I of the Project; and
- Obtain a final Green Tag and/or completion status report issued by the Building Inspections division of the Sustainable Development and Construction Department for the unoccupied portion of level 1 and levels 2 through 4 of the Corrigan Tower indicating completion of construction that brings floors 2 through 4 of the Corrigan Tower to a “white box” condition (completion of improvements consisting of heating/cooling with delivery systems, lighting, electrical switches and outlets, lavatories, a finished ceiling, walls prepped for painting, and a concrete slab floor) ready to lease and for tenant improvements by December 31, 2017. Notwithstanding, level 4 of the Corrigan Tower must be improved to a “white box” condition, but only to the extent necessary to facilitate life safety improvements; and
- Complete Public Infrastructure Improvements for both buildings.

Appendix A: Saint Elm Hotel and Corrigan Tower *TIF Funding Conditions (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 December 31, 2017 and submit documentation to the Office of Economic Development (the “OED”);
- Execute an Operating and Maintenance agreement for non-standard public infrastructure improvements associated with the Project by December 31, 2017, for a period of 20 years;
- The hotel component of the Project shall not permanently discontinue or close at any time during the TIF Reimbursement payment period. If the hotel component is temporarily discontinued or closed, a 90 day cure period will be granted, if issues are not addressed within cure period, Project shall not be eligible to receive further TIF reimbursements.
- Payment of Phase I TIF Reimbursement is not contingent upon completion of Phase II of the Project;
- To obtain the remaining \$9,700,000 of the TIF Reimbursement for Phase II of the Project:
 - Minimum private investment of \$21,000,000 for Phase II of the Project, inclusive of construction and construction related soft costs only.

Appendix A: Saint Elm Hotel and Corrigan Tower *TIF Funding Conditions (Continued)*

- Obtain a building permit and start construction and/or demolition for Phase II improvements within three (3) years after the date that the Phase I hotel opens; and
 - Obtain a final Green Tag and/or completion status report issued by the Building Inspections division of the Sustainable Development and Construction Department for levels 5 through 17 of the Corrigan Tower indicating completion of construction that brings the floors to a “white box” condition, ready to lease and for tenant improvements by June 30, 2022.
- Construction of Project Improvements (Phases I & II) shall be in substantial conformance with design plans approved by the Downtown Connection TIF District Board of Directors and Dallas City Council;
 - The Saint Elm Hotel shall be managed by a management company acceptable to the Director of the Office of Economic Development (OED);
 - 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;
 - Comply with the Business Inclusion and Development (“BID”) goal of twenty-five percent (25%) Minority/Women-owned Business Enterprise (M/WBE) participation for construction expenditures for the Project, and meet all reporting requirements for both Phases of the Project;

Appendix A: Saint Elm Hotel and Corrigan Tower *TIF Funding Conditions (Continued)*

- If any portion of the buildings is renovated into residential space, Owner shall comply with the Mixed Income Housing Requirement:
 - A minimum of 10% of the Project's residential units must comply with the City's Mixed Income Housing Guidelines for the Downtown Connection TIF District
 - Market the apartments pursuant to an affirmative fair housing marketing plan approved by the City
- PetroCorrigan Towers, L.P., shall retain its current priority ranking of eleven (11) in the Downtown Connection TIF District's Reimbursement Queue, for a TIF reimbursement amount not to exceed \$10,300,000 for Phase I of the Project. PetroCorrigan Towers, L.P., must secure a priority ranking number in the queue for the remaining portion of the TIF Reimbursement - \$9,700,000 for Phase II of the Project, in accordance with the Downtown Connection TIF District Increment Allocation Policy.
- If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director's and Downtown Connection TIF District Board of Director's approval;

Appendix B: Saint Elm Hotel and Corrigan Tower *Comparison – Original Project to Proposed Project*

	Hotel Rooms	Residential Units	Ground Floor Retail/Restaurant Space (sf)	Total Project Cost	TIF Funding
Original Project	N/A	258	4,400	\$44,660,000	\$10,300,000
Proposed Project	150	150	6,174	\$102,402,463	\$20,000,000
Increase in Project Costs				\$57,742,463	
Increase in TIF Funding					\$9,700,000

Appendix C: Saint Elm Hotel and Corrigan Tower

Summary of Project Highlights

Saint Elm Hotel and Corrigan Tower - Project Facts	
Minimum Phase I Hotel Space (required)	70,000 s.f. Approx. 150 Rooms
Minimum Phase I Retail/Restaurant Space (required)	3,000 s.f.
Minimum Phase II Commercial or Residential Space (required)	143,167 s.f.
Minimum Affordable Housing Units if Phase II is Residential (required)	10% of Total Residential Units
Required Private Investment <small>(acquisition, hard and soft construction costs)</small>	Phase I - Min. \$51,750,000 Phase II - Min. \$21,000,000
Expected Total Project Cost (Phases I & II)	\$102,402,643
TIF Incentive	Phase I - \$10,300,000 Phase II - \$9,700,000
% TIF funds to Total Project Cost	19.53%
Return on Cost without TIF Reimbursement	Phase I - 5.3% Phase II - 5.6%
Return on Cost with TIF Reimbursement	Phase I - 6.3% Phase II - 8.1%
Deadline to Obtain Building Permit	Phase I - 06/2015 Phase II - 3 yrs after Saint Elm Hotel opening
Deadline to Obtain Final CO	Phase I - 12/2017 Phase II - 06/2022

Appendix D: Saint Elm Hotel and Corrigan Tower Project Proforma – Phase I

Saint Elm Hotel Project Pro Forma - Phase I		
Downtown Connection TIF District		
PROJECT DESCRIPTION:	1907 Elm St. and Floor 1 thru 4 of 1900 Pacific Ave.	
PROJECT TYPE:	Mixed Use	
PHASE I CONSTRUCTION START DATE:	June 30, 2015	
PHASE I CONSTRUCTION COMPLETION DATE:	December 31, 2017	
Use Breakdown	SF	Total Leasable SF
Hotel	73,796	86,647
Restaurant	6,597	
Meeting Room	6,254	Total Blds SF (Gross)
Amenity Space	14,495	229,357
Motor Court	5,511	
Lobby/Circulation/Back of House	115,246	
Mechanical/Maintenance/Kitchen	7,458	
Project Costs		
Hard Cost	\$39,068,827	
Soft Cost (less Developer Fee)	\$21,654,252	
Acquisition	\$2,000,000	
Total Project Cost (without City \$)	\$62,723,079	
Total Project Cost	\$62,723,079	
TIF Assistance	\$10,300,000	
Net Cost to Developer (after TIF reimbursement)	\$52,423,079	
Return on Cost Analysis		
NOI/Total Project Costs		
Return on Cost (without City \$)	5.3%	
Return on Cost (with City \$)	6.3%	
		Revenue
		Hotel Revenue
		\$9,167,340
		Non-Room Revenue (banquet, rest., mtg rooms)
		\$2,841,875
		Corrigan Tower Retail Revenue
		\$106,088
		Total Revenue
		\$12,115,303
		Expenses
		Hotel Operating Expenses
		(\$8,646,635)
		Valet Parking (180 off-site spaces)
		(\$168,578)
		Insurance, Utilities, Taxes
		(\$201,336)
		Management
		(\$17,551)
		Maintenance
		(\$21,938)
		Misc./Reserve for Replacement
		(\$6,647)
		Total Expenses
		(\$8,815,213)
		NOI
		\$3,300,090
		Note: Stabilized rate in year 2022, 5 years after completion

Appendix E: Saint Elm Hotel and Corrigan Tower Project Proforma – Phase II

Corrigan Tower Project Pro Forma - Phase II		
Downtown Connection TIF District		
PROJECT DESCRIPTION:	Floors 5 thru 18 of 1900 Pacific Ave	
PROJECT TYPE:	Mixed Use	
PHASE I CONSTRUCTION START DATE:	January 1, 2020	
PHASE I CONSTRUCTION COMPLETION DATE:	June 30, 2022	
Use Breakdown	SF	Total Leasable SF
Residential	152,902	152,902
Lobby/Circulation/Back of House	29,331	
Amenity Space	10,870	
Mechanical/Maintenance/Kitchen	2,045	
		Total Bids SF (Gross)
		195,148
Project Costs		
Hard Cost	\$26,180,928	
Soft Cost (less Developer Fee)	\$3,898,636	
Acquisition	\$1,000,000	
Total Project Cost (without City \$)	\$31,079,564	
Total Project Cost	\$31,079,564	
TIF Assistance	\$9,700,000	
Net Cost to Developer (after TIF reimbursement)	\$21,379,564	
Return on Cost Analysis		
NOI/Total Project Costs		
Return on Cost (without City \$)	5.6%	
Return on Cost (with City \$)	8.1%	
Revenue		
Residential Revenue	\$2,889,848	
Total Revenue	\$2,889,848	
Expenses		
Residential Operating Expenses	(\$1,155,939)	
Total Expenses	(\$1,155,939)	
NOI		
	\$1,733,909	
Note: Stabilization rates 5 years after completion with 10%vacancy		

Appendix F: Downtown Connection TIF District Reimbursement Queue

Downtown Connection TIF District Reimbursement Queue As of May 2015

Reimbursement Priority ¹	Project Name	Priority Date	Construction Status	Primary TIF Reimbursement	Maximum Interest	Total Eligible TIF Reimbursement	Project Generated Increment Only ⁴	Reimbursement Status
1	Stoneleigh Hotel	5/30/2010	Completed	\$2,500,000	\$0	\$2,500,000	Yes	In Progress
2	Hall Lone Star ²	5/30/2010	Completed	\$852,764	\$225,871	\$1,078,635	No	Paid In Full
3	Santa Fe IV - Aloft Hotel	5/30/2010	Completed	\$3,734,419	\$0	\$3,734,419	No	Paid In Full
4	Grand Ricchi Dallas - 1600 Pacific	10/26/2010	Completed	\$8,830,000	\$4,040,200	\$9,230,391	No	Paid In Full
5	Joule Hotel Expansion	1/19/2011	Completed	\$20,658,500	\$0	\$20,658,500	No	In Progress
6	Atmos Complex Phase I	6/20/2011	Completed	\$3,250,000	\$3,000,000	\$6,250,000	No	In Progress
7	Joule Hotel Expansion Amendment	8/10/2011	Completed	\$3,194,409	\$0	\$3,194,409	No	In Progress
8	Continental Building ³	9/16/2011	Completed	\$13,305,700	\$4,222,588	\$17,528,288	No	To Be Paid
9	Atmos Complex Phase II	5/21/2013	Completed	\$11,750,000	\$5,000,000	\$16,750,000	No	N/A
10	Hall Lone Star Project - Phase II ²	8/22/2013	Under Construction	\$5,000,000	\$1,774,129	\$6,774,129	No	N/A
11	PetroCorrigan Project - Phase I (Saint Elm Hotel)	2/13/2014	Under Consideration	\$10,300,000	\$0	\$10,300,000	No	N/A
12	LTV Tower Project	5/5/2014	Under Construction	\$17,500,000	\$0	\$17,500,000	No	N/A
13	The Olympic	10/24/2014	Under Construction	\$45,000,000	\$5,000,000	\$50,000,000	No	N/A
TBD	500 S. Ervay	TBD	Under Construction	\$5,000,000	\$0	\$5,000,000	Yes	N/A
TBD	Statler/Library/Jackson Street	TBD	Under Construction	\$46,500,000	\$0	\$46,500,000	No	N/A
TBD	Mayflower Building (411 N. Akard St.)	TBD	Approved	\$10,000,000	\$0	\$9,000,000	No	N/A
TBD	1712 Commerce	TBD	Under Consideration	\$10,500,000	\$0	\$10,500,000	No	N/A
TBD	PetroCorrigan Project - Phase II (Corrigan Tower)	TBD	Under Consideration	\$9,700,000	\$0	\$9,700,000	No	N/A

\$246,198,771

Notes:

¹The priority ranking of an approved project is established by the submittal of evidence to the City of an executed construction loan and building permit for the project.

²Hall Lone Star Project, Phases I and II, is eligible to receive up to \$2M in interest. The full \$2M in interest is shown in Phase I of the project.

³The Total TIF Reimbursement for the Continental Building project is \$22,028,288 (includes an additional \$2.5M in bond proceeds and \$2M in affordable housing funds).

⁴Based on the development agreement for the project, reimbursement may take the form of project generated increment only or project generated increment plus shared increment.

Appendix G: Downtown Connection TIF District

Budget Status

- Total Remaining Funds for Projects: \$11,973,122
- Projects Anticipated to Request TIF Funding
 - Ross/Field Project
 - Spire Project
 - Redevelopment Block (1607 Main Street, 1615 Main Street, 1600 -1614 Elm Street)
 - Thanksgiving Tower Area
 - 500 S. Ervay Street

Downtown Connection TIF District			
Current Projected Increment Revenues to Retire TIF Fund Obligations			
	B	C	B - C
Category	Estimated Total Dollar TIF Budget	Allocated ³	Estimated Total Dollar Balance
Catalyst Projects: - Environmental remediation, demolition, historic façade, restoration, street/utility improvements & streetscape improvements, land acquisition, and non project costs, including, but not limited to machinery, equipment, materials and supplies	\$68,000,000	\$68,000,000	\$0
Redevelopment of Vacant/Underutilized Downtown Buildings, Underdeveloped Parcels, Surface Parking Lots - Environmental remediation, interior/exterior demolition, historic façade restoration, street/utility improvements, land acquisition, TIF grants, affordable housing	\$258,171,893	\$246,198,771	\$11,973,122
Uptown/Downtown connection improvements	\$0	\$0	\$0
Park and plaza design and acquisition	\$3,185,059	\$0	\$3,185,059
Affordable Housing²	\$3,000,000	\$3,000,000	\$0
Retail Initiative/Streetscape Improvements	\$1,985,000	\$459,845	\$1,525,155
Downtown Area Plan	\$515,000	\$512,464	\$2,536
Administration and Implementation	\$6,539,500	\$1,299,539	\$5,239,961
Debt Service (Interest Only)	\$150,363,000	\$150,363,000	\$0
Total Project Costs	\$491,759,452	\$469,833,619	\$21,925,833

Budget values may fluctuate as a result of district property value changes as provided by DCAD, completion of projects within the district, changes in tax rates for taxing jurisdictions, etc.

¹TIF Budget shown above in total dollars; TIF Project Plan shows the budget in net present value

²The Affordable Housing line item has been reduced by the amount of money allocated to the Continental and 411 N. Akard projects

³The Allocated total shown for the Redevelopment of Vacant/Underutilized Downtown Building line item reflects the total TIF District's commitment to projects currently in the Reimbursement Queue

Appendix H: Increment Collection Projections

Downtown Connection TIF District

Projected TIF Increment Schedule

Tax Year	Total Property Value Estimate ¹	Property Value Growth	Comp. Value Growth	Anticipated Captured Value	Anticipated Accumulated Revenue (NPV)	Tax Increment Revenue into TIF * CITY @ 90%	Tax Increment Revenue into TIF ** COUNTY @ 55%	Anticipated Increment Revenue	NPV Anticipated Increment Revenue (2006)
Base 2005	\$561,696,137	(1)							
Base 2009	\$564,917,317	(2)							
1 2006	\$759,033,448	35.13%	35.13%	\$197,337,311	\$1,370,108	\$1,208,059		\$1,438,614	\$1,370,108
County	\$759,016,948			\$197,320,811			\$230,555		
2 2007	\$989,078,707	30.31%	76.09%	\$427,382,570	\$4,450,867	\$2,844,731		\$3,396,536	\$4,450,867
County	\$988,341,787			\$426,645,650			\$551,805		
3 2008	\$1,515,616,786	53.24%	169.83%	\$953,920,649	\$10,691,983	\$6,065,898		\$7,224,872	\$10,691,983
County	\$1,595,047,713			\$1,033,501,376			\$1,158,974		
4 2009	\$1,512,292,589	-0.22%	169.24%	\$947,375,272	\$17,179,939	\$6,768,369		\$7,886,151	\$17,179,939
County	\$1,559,199,640			\$994,432,123			\$1,117,782		
5 2010	\$1,539,047,900	1.77%	174.00%	\$974,130,583	\$23,590,942	\$6,849,382		\$8,182,245	\$23,590,942
County	\$1,583,755,734			\$1,018,988,217			\$1,332,864		
6 2011	\$1,546,807,101	0.50%	175.38%	\$981,889,784	\$29,976,530	\$7,235,640		\$8,557,298	\$29,976,530
County	\$1,589,222,014			\$1,024,304,697			\$1,321,658		
7 2012	\$1,747,004,927	12.94%	211.02%	\$1,182,087,610	\$37,100,585	\$8,408,406		\$10,024,261	\$37,100,585
County	\$1,791,557,491			\$1,226,640,174			\$1,615,855		
8 2013	\$2,151,461,278	23.15%	283.03%	\$1,586,543,961	\$46,190,348	\$11,306,531		\$13,429,720	\$46,190,348
County	\$2,194,764,321			\$1,629,847,004			\$2,123,189		
9 2014	\$2,336,630,090	8.61%	316.00%	\$1,771,712,773	\$55,950,501	\$12,708,496		\$15,141,200	\$55,950,501
County	\$2,384,374,137			\$1,819,456,820			\$2,432,705		
10 2015	\$2,656,724,026	13.70%	372.98%	\$2,091,806,709	\$66,879,004	\$15,004,530		\$17,801,380	\$66,879,004
11 2016	\$2,941,818,166	10.73%	423.74%	\$2,376,900,849	\$78,705,631	\$17,049,510		\$20,227,545	\$78,705,631
12 2017	\$3,196,815,380	8.67%	469.14%	\$2,631,898,063	\$91,177,444	\$18,878,605		\$22,397,584	\$91,177,444
13 2018	\$3,337,901,687	4.41%	494.25%	\$2,772,984,370	\$103,692,092	\$19,890,617		\$23,598,236	\$103,692,092
14 2019	\$3,661,954,636	9.71%	551.95%	\$3,097,037,319	\$117,003,634	\$22,215,049		\$26,355,942	\$117,003,634
15 2020	\$3,885,896,296	6.12%	591.81%	\$3,320,978,979	\$128,544,828	\$23,821,382		\$23,993,314	\$128,544,828
16 2021	\$3,989,147,872	2.66%	610.20%	\$3,424,230,555	\$139,796,966	\$24,562,006	\$0	\$24,562,006	\$139,796,966
17 2022	\$4,068,930,829	2.00%	624.40%	\$3,504,013,512	\$150,762,973	\$25,134,289	\$0	\$25,134,289	\$150,762,973
18 2023	\$4,153,498,366	2.08%	639.46%	\$3,588,581,049	\$161,458,845	\$25,740,892	\$0	\$25,740,892	\$161,458,845
19 2024	\$4,236,568,333	2.00%	654.25%	\$3,671,651,016	\$171,881,193	\$26,336,753	\$0	\$26,336,753	\$171,881,193
20 2025	\$4,326,633,080	2.13%	670.28%	\$3,761,715,763	\$182,050,721	\$26,982,787	\$0	\$26,982,787	\$182,050,721
21 2026	\$4,413,165,741	2.00%	685.69%	\$3,848,248,424	\$191,958,782	\$27,603,486	\$0	\$27,603,486	\$191,958,782
22 2027	\$4,501,429,056	2.00%	701.40%	\$3,936,511,739	\$201,611,459	\$28,236,599	\$0	\$28,236,599	\$201,611,459
23 2028	\$4,598,545,137	2.16%	718.69%	\$4,033,627,820	\$211,031,283	\$28,933,212	\$0	\$28,933,212	\$211,031,283
24 2029	\$4,690,516,040	2.00%	735.06%	\$4,125,598,723	\$220,207,098	\$29,592,920	\$0	\$29,592,920	\$220,207,098
25 2030	\$4,760,933,700	1.50%	747.60%	\$4,196,016,383	\$229,095,128	\$30,098,026	\$0	\$30,098,026	\$229,095,128
26 2031	\$4,808,543,037	1.00%	756.08%	\$4,243,625,720	\$231,593,554	\$8,883,584	\$0	\$8,883,584	\$231,593,554
27 2032	\$4,856,628,468	1.00%	764.64%	\$4,291,711,151	\$231,593,554	\$0	\$0	\$0	\$231,593,554
28 2033	\$4,905,194,752	1.00%	773.28%	\$4,340,277,435	\$231,593,554	\$0	\$0	\$0	\$231,593,554
29 2034	\$4,954,246,700	1.00%	782.02%	\$4,389,329,383	\$231,593,554	\$0	\$0	\$0	\$231,593,554
30 2035	\$5,003,789,167	1.00%	790.84%	\$4,438,871,850	\$231,593,554	\$0	\$0	\$0	\$231,593,554
Total						\$462,359,756	\$29,399,696	\$491,759,452	\$231,593,554
2006 NPV @ 5%						\$213,093,554	\$18,500,000	\$231,593,554	

Memorandum



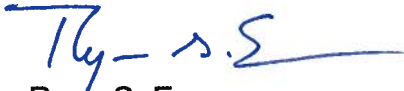
DATE May 29, 2015

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

SUBJECT **South Dallas Fair Park Trust Fund: Program Update and Funding Review**

On Monday, June 1, 2015, the Economic Development Committee will be briefed on the South Dallas Fair Park Trust Fund: Program Update and Funding Review. The briefing materials are attached for your review.

Should you have any questions, please contact me.



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

South Dallas Fair Park Trust Fund Program Update and Funding Review

Economic Development Committee
June 1, 2015



Purpose

- Background concerning South Dallas Fair Park Trust Fund (Trust Fund)
- Review formation, mission, goals, operating structures, governance, administrative oversight and programs
- Examine 2014 Audit report in context of overall performance
- Discuss funding sources and issues
- Provide recommendations regarding Trust Fund role in support of Fair Park neighborhood revitalization strategy and future funding

Facts About the Trust Fund

- All loans originated in past 7 years (\$409.5K) are current and or paid in full, with no anticipated loan recovery issues
- Promotes Social and Community Development as well as Economic Development for benefit of South Dallas/Fair Park neighborhoods
- Majority of funding over past decade committed as grants to assist social service and community organizations
- 2004-2014 209 grants totaling \$3.2M (14% dedicated to site-specific Economic Development)
- Active, Independent Advisory Board (appointed by City Council)
 - Reviews and recommends all grant/loan transactions
- ECO Director and AD supervise Trust Fund Programs, review and approve all transactions
- Transactions > \$50K require Council approval; < \$50K need CMO signoff
- Recent audits identified relatively low-risk administrative concerns; no issues regarding misuse or wrongful disbursement of funds

Trust Fund History

- Authorized in February, 1987 when City Council adopted South Dallas/Fair Park Neighborhood preservation and Economic Development plan
- Fair Park Task Force created by Council Resolution (CR) in April, 1989 to make recommendations concerning:
 - Strategy to invest funds generated by Fair Park activities in surrounding community
 - Management/use of Fair Park
- Trust Fund established as an asset for South Dallas/Fair Park Community
- CR 89-3605 established a minimum annual funding target of \$500K for Trust Fund reinvestment in surrounding neighborhoods (see appendix 1)
- Allocations from funding sources began in FY'92 and Trust Fund commenced operations in FY'94

Goals

To facilitate Community and Neighborhood Development through grants and loans that support:

- Community service projects/programs that assist Human and Social needs
- Business and Economic Development activity
- Quality, affordable housing

Operating Structure

- Trust Fund is administered by City's Office of Economic Development
- Per CR, also formally supported by other City departments
 - Parks and Recreation: (1) Manages contract with Pace Entertainment Group (portion of revenue from ticket sales at Gexa, Flea Markets and Antique Shows allocated to Trust Fund); (2) Responsible for annual Visitors Survey to compile data to calculate hotel/motel and sales tax revenue generated by Fair Park visitors
 - Water: Sets up loan accounts, handles billings, accepts loan payments and generates payments histories to manage delinquencies
 - City Attorney: Prepares/approves all documentation for loans and grants; facilitates lien perfection, makes demand on delinquent accounts and actively pursues recovery efforts

Governance and Oversight

- Fifteen Advisory Board members appointed by City Council (one per Council District, Chairman appointed by Mayor (see appendix 2)
 - Currently 7 vacancies
 - 8 members must have direct connection to South Dallas Community (live, own business, work, community involvement)
 - 7 “at large” positions have qualifications related to business, housing, non-profit management, community building
 - At least two board members should have loan and grant underwriting experience
- Trust Fund administrative staff (2 FTE) reports to Assistant Director (AD) in Office of Economic Development (see appendix 3)
 - All loan/grant applications screened by staff prior to board consideration
 - Reviewed and approved by AD/ECO Director prior to submission to CMO/Council for final approval
- Significantly more audit reviews than other city operations
- By CR, City Auditor performs annual audit (completed in 2004, 2007, 2008, 2011, 2012, and 2014)

Loan Programs

- Goals
 - Business development/expansion, gap financing to leverage private capital and job creation
 - 7 loans committed since FY 2011 totaling \$409,484 (all performing, 3 recently repaid in full)
- Examples
 - Namamai Home Health: Expansion
 - Freedom Fashions Clothing Retailer: Working Capital
 - MLK Project: Redevelopment of blighted office building
 - MLK Business Center: Redevelopment for office space
 - Preparing People Barber College: Cosmetology training
 - Dallas Weekly Newspaper: Working Capital
 - Two Podners Retail Eateries: Commercial Building

Grant Programs

- 209 grants totaling \$3.2M since FY 2005 (see appendix 4)
- Four grant programs
 - Community Based Non-Profits: Maximum \$35K/year; up to 3 consecutive years \$75K maximum aggregate (match required)
 - Neighborhood Challenge: Maximum \$5K/year up to 3 consecutive years. (match required)
 - Public Safety: \$10K/year up to 3 consecutive years (match required)
 - Special Grant for Catalyst Initiatives: No funding limit – Board discretion. Recent example is \$200K grant to FRI for Parkland Clinic; leveraged \$21M in other funding

Examples of Grant Recipients and Programs

Grants

- Family Place
- YMCA
- St. Philips School/Community Ctr.
- City Square
- Dallas Black Dance Theatre
- Circle of Support
- Miles of Freedom
- Big Thought (Hand of Destiny)
- Jubilee Park/Community Ctr.
- Cornerstone Church
- Edge Education
- National Kidney Foundation

Programs

- Domestic Violence
- Learn to Swim/Swim Safety
- Food Pantry
- Workforce Development
- South Dallas Dance Program
- STEM Enrichment
- Formerly Incarcerated Employment
- After School Reading
- Surveillance Cameras
- Reading Warriors/Tutoring
- Financial Literacy
- Testing

2014 Audit in Perspective

- Sound operating policies and guidelines in place since 2008
- Loan portfolio is healthy with no loan recovery issues
- Grants support numerous organizations providing critical neighborhood services
- Audit cites relatively minor administrative issues in context of total transaction volume
 - Performance measures do not include outcomes: A shortcoming not unique to Trust Fund; can document broader impact of community service non-profits measures, but should be developed in context of collective impact of collaborating organizations.
 - Grant/loan funds awarded to ineligible applicants: No ineligible applicants. Grant applicants often check the wrong grant program requested box. Will now require additional application submission with correct grant program box checked.
 - No verification of non-profit status for some applicants: All current non-profit grant recipients are verified and documented. IRS verification has been instituted.
 - No evidence grant applicants attended training workshops: Documented that workshops were held. Unable to locate sign in sheets due to office move.
 - No notification letters sent prior to on-site visits: Not a good policy and will remove from Guidelines.
 - Grant checklists not updated or consistently followed: Reviewing/updating. Check list content/need.

Funding Issues

- CR 89-3605 established a minimum annual funding target of \$500K
- Revenue sources, including Fair Park Visitors Formula established by CR 91-1597
- Fair Park Visitors Formula, tied to annual survey which calculates volume of out of town visitors to Fair Park and estimates Hotel and Motel tax revenue as well as total expenditure of these visitors, a % of which dedicated to Trust Fund

Funding Issues (Cont'd)

- Fair Park Visitors Formula never implemented
 - No annual surveys on record
 - No council appropriations since inception in FY'94
 - Consulted with former City Managers (Knight, Hart-Black, Benavides, Suhm)
 - One City Manager indicated that conscious decision made not to fund due to difficult economic times and budget issues
- Consequence is an aggregate shortfall versus annual \$500K funding target of \$3.6M
 - Total funding since initial launch = \$6.9M
 - Targeted aggregate revenue = \$10.5M (21x \$500K). Estimated short fall ±\$3.6M – estimate \$5M w/inflation

Conclusions

- Trust Fund is not broken and supports important Fair Park neighborhood programs and economic development projects
- Critical to work with area residents to conscientiously improve neighborhoods surrounding Fair Park
- Mayor's Fair Park Task Force recommends "maintaining current South Dallas/Fair Park Trust Fund and its structure"
 - Trust Fund plays an important role in *neighborhood* "collective impact" initiative
- A minimum \$500K funding target was established by CR 89-3605 and is required for continued loan support and grant programs at current levels
- Aggregate Council appropriations since inception have fallen short of goal by approximately \$3.6M, (\$5M w/inflation) largely because Visitors Formula funding never implemented

Recommendations

- Appropriate funding to sustain current Trust Fund activity level and increase Economic Development-related investment
- Modify funding sources to delete the Visitors Formula as a source for Trust Fund programs.
- Meet \$500K annual revenue target, established by **CR 89-3605** with “GAP” funding by City (PPP Program) to supplement Fair Park activities contribution.
 - If Fair Park activities contribution meets or exceeds \$500K, no City funding required. Funding cap from Fair Park activities is \$1M.
 - City “GAP” funding insures minimum annual Trust Fund revenue of \$500K.
 - Funds administrative costs and programs
- Trust Fund Board pro-actively collaborates and supports neighborhood “collective impact” initiatives with partner organizations in the area working to promote:
 - A common agenda
 - Shared measurement
 - Mutually reinforcing activities
 - Continuous communication

Recommendations (con't)

- Additional funding to supplement existing Special Grant and Loan Program for Catalyst Economic Development Initiatives, provide “Seed Money” for Grand Park South TIF, initiate South Dallas Adaptive Reuse Program and Neighborhood Plus Initiatives over a multiyear period as follows:

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Frequency</u>	<u>Total</u>	<u>Funding Source/ Responsible Department</u>
Supplement to existing special grant program for catalyst initiatives	To be used for re-development/ development purposes along major corridors (i.e., MLK, Al Lipscomb Way, Elsie Faye Heggins, Robert B. Collum, Spring Avenue Retail development and other private development initiatives)	\$500K	Annually for 6 years	\$3M	General Fund (Special Fair Park Program)
"Seed" \$ for Grand Park South TIF	Supplement to Tax Increment generated by TIF for project support	\$250K	Annually 4 years	\$1M	PPP Program
South Dallas Adaptive Reuse Program	Modeled after existing Southern Dallas programs	\$250K	Once, but renewable depending on utilization	\$250K	PPP Program
City Leadership Grant Program	Address water conservation at City owned facilities	\$200K	Annually for 3 years	\$600K	DWU-CLEP
Tree Reforestation	Tree planting within street and Park ROW	\$165K	Once	\$165K	Parks & Rec.
				\$5.015M	

Next Steps

- Staff requests approval from Economic Development Committee for Council Approval on June 17, 2015 of South Dallas Fair Park Trust Fund to:
 1. Modify funding sources to delete the “Visitors Formula” as a source for Trust Fund Program.
 2. Meet annual \$500K revenue target established by CR 89-3605 with “GAP” funding by City (PPP) to supplement Fair Park activities contribution.
 - Funds administration and program cost.
 3. Provide multi-year funding
 - Add supplemental funding to existing Special Grant and Loan Program for Catalyst Economic Development Initiatives
 - Provide “seed” money for Grand Park South TIF
 - Initiate South Dallas Fair Park Adaptive Reuse Program
 - Support Neighborhood Plus Initiatives

Appendices

1. CR 89-3605 and Trust Fund Task Force Report re: \$500K Annual Revenue Target
2. Total Grants / Loans FY05 – FY14 (10 Years)
3. South Dallas Fair Park Trust Fund Board
4. Trust Fund Staff Responsibilities
5. Trust Fund Target Demographics
6. Trust Fund Target Census Tracts

CR 89-3605 and Trust Fund Task Force Report re: \$500K Annual Revenue Target

893605 86

COUNCIL CHAMBER
November 8, 1989

RECEIVED

The Fair Park Task Force
Created by Resolution #891159
of the City Council on
April 12, 1989

Whereas, the City Council created the Fair Park Task Force in recognition of Fair Park as one of the City's greatest assets; and

Whereas, the City Council appointed a twenty-two member Task Force representative of members of Fair Park's resident institutions, entities with major programmatic presences, civic organizations, and neighborhood business representatives and residents; and

Whereas, the Task Force fully examined a host of issues relating to Fair Park and developed a set of recommendations which address and balance the needs of Fair Park and its surrounding community; Now, therefore,

Be it resolved by the City Council of the City of Dallas:

Section 1: That the City Council accept the Final Report of the Fair Park Task Force.

Section 2: It is understood that acceptance of the Report does not initiate implementation of the Task Force Recommendations. The City Council may in its implementation modify any of the recommendations which the City Council determines to be necessary.

Section 3: Staff will provide the City Council with an implementation schedule in sixty (60) days.

Section 4: That while reserving the right to make other changes in the implementation of the Fair Park Task Force Final Report, the City Council agrees to make the following changes:

(1) After revenue to the South Dallas/Fair Park Trust Fund reaches \$500,000 in any fiscal year, the next \$500,000 derived from the dedicated sources will be applied 90% to the maintenance, repair, restoration, and renovation of facilities at Fair Park and 10% to the Trust Fund. If the revenue in a fiscal year exceeds \$1,000,000, all revenue in excess of \$1,000,000 will be split fifty percent to the trust fund and fifty percent to the maintenance, repair, restoration, and renovation of facilities at Fair Park. All recommendations of the Trust Fund Advisory Board must be approved by the City Council in order to be implemented and the activities of the Trust Fund Advisory Board will be audited annually by the City Auditor.

(2) The Trust Fund Advisory Board will be composed as recommended by the Fair Park Task Force except that one of the citizens knowledgeable of and committed to the South Dallas/Fair Park area nominated by the Mayor must be a person who operates a business in the area and one additional "at large" member will be appointed.

Section 5: This resolution shall take effect immediately from and in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

NOV 8 1989

APPROVED BY
CITY COUNCIL

City Secretary _____
City Treasurer _____
City Auditor _____

CR 89-3605 and Trust Fund Task Force Report re: \$500K Annual Revenue Target (Cont'd)

EXECUTIVE SUMMARY

Creation of the Fair Park Task Force

The Fair Park Task Force was created by Resolution #891159 of the City of Dallas Council on April 12, 1989.

Each Council member appointed two representatives to the Task Force and the Mayor appointed the chair. The make-up of the Task Force was reflective of the constituencies of Fair Park and its surrounding community.

The Task Force met weekly from June 13 to September 19, 1989.

Mission

The mission of the Fair Park Task Force was twofold: to study and make recommendations relating to (1) the management and use of Fair Park, and (2) a strategy by which certain funds generated by Fair Park can be invested in the surrounding community.

Identification of the Surrounding Neighborhood

The City Council instructed the Fair Park Task Force in its Resolution #891674 dated May 24, 1989 to come up with methods to re-invest South Dallas/Fair Park Trust Fund monies in the surrounding neighborhood. The Task Force identified the "surrounding neighborhood" as census tracts #23, 25, 27.01, 27.02, 28, 29, 35, 36, and 37. (See Attachment III)

Funding for the South Dallas/Fair Park Trust Fund and Fair Park

City Council Resolution #891674 (May 24, 1989) provides the Trust Fund \$200,000 annually. This resolution also instructs the City Manager and the Park Department Director to bring forth a plan to assume management of for-profit Flea Markets and Antique Shows at Fair Park, dividing the profits equally between the Trust Fund and Fair Park. The revenue to the Trust Fund is estimated to be \$150,000 annually. The Starplex contract provides that \$0.15 from each ticket sold go to the Trust Fund. Revenue from this source is estimated to be \$60,000 annually. This combination of funds is \$410,000 annually.

To balance the realistic ability to generate funds and to achieve an amount that would have a meaningful impact on the identified surrounding neighborhood, the Task Force set a total of \$500,000 annually as the target amount to flow into the Trust Fund. To reach the \$500,000 from the \$410,000 being provided through the other avenues, the Task Force considered a number of methods of generating funds before deciding on a formula method and an enterprise method.

The formula method calls for establishing 1988 as a base year, and dedicating a portion of incremental City revenues generated by Fair Park in succeeding years to flow into the Trust Fund and into Fair Park. The enterprise method would encourage a "special night" type performance in Fair Park; a concession stand during the State Fair; certified parking lots surrounding Fair Park during the State Fair and other special events; and other activities that could be used to generate funds benefitting the Trust Fund and Fair Park. Once the amount needed to bring the Trust Fund to its \$500,000 level is applied, any remaining funds generated through these methods will be dedicated to maintenance, repair, restoration and renovation of the facilities inside Fair Park.

Disbursement of South Dallas/Fair Park Trust Funds

The Trust Fund monies will be disbursed only within the identified surrounding neighborhood.

A South Dallas/Fair Park Trust Fund Advisory Board will oversee the administration of the Trust Fund. Staff assistance to the Board will be provided by contract with the Southern Dallas Development Corporation.

Priority categories for the disbursement of funds in the identified surrounding neighborhood will be Business Development, Housing, Neighborhood Improvements, and Community Services.

Management and Use of Fair Park

The position of Executive General Manager of Fair Park will be strengthened by more clearly defining the authority and responsibility of the position. The Executive General Manager will have the responsibility and authority over all grounds, buildings, repairs and maintenance in Fair Park; coordination of public safety activities in Fair Park; scheduling of events, parking, and promotions; and budget preparation through the regular City of Dallas budgeting process.

A Fair Park Advisory Committee will be formed to serve as an advisory body to the Park and Recreation Board on all matters affecting Fair Park.

Previously Authorized Bond Issues

Implement all previously authorized bond issues affecting Fair Park, with special emphasis on the bonds authorized in the 1985 Bond Program relating to Fair Park:

- Aquarium
- Embarcadero
- Garden Center
- Museum of Natural History

011

viii

012

ix

Total Grants/Loans FY05-FY14 (10 Years)

<u>Grants</u>			<u>Loans</u>	
FY	Number	\$Amount	Number	\$Amount
2005	18	248,640	1	11,400
2006	14	216,033	2	100,000
2007	16	236,000	2	38,756
2008	22	215,455	0	---
2009	31	374,375	0	---
2010	23	319,400	0	---
2011	19	344,573	3	169,484
2012	20	322,500	1	50,000
2013	27	483,000	1	40,000
2014	<u>19</u>	<u>418,120</u>	<u>2</u>	<u>150,000</u>
	<u>209</u>	<u>3,178,096</u>	12	<u>\$559,640</u>

South Dallas Fair Park Trust Fund Board

<u>District</u>	<u>Name</u>	<u>Appointee</u>
1	Vacant	CM Griggs
2	Jason Bradberry	CM Medrano
3	Coy L Poitier	CM Hill
4	Vacant	CM Caraway
5	Jesse Tafalla	CM Callahan
6	Vacant	DMPT Alonzo
7	Vacant	CM Davis
8	Patricia Harrington	MPT Atkins
9	Jeffery "Jeff" Sullivan	CM Kadane
10	Gerald Lee Larson	CM Allen
11	Vacant	CM Kleinman
12	Vacant	CM Greyson
13	Vacant	CM Gates
14	Suzanne N Smith	CM Kingston
15	Maurice Franklin	Mayor Rawlings

15 Members; (1) appointed by each City Council member

Trust Fund Staff Responsibilities

- Trust Fund Staff originates 40-50 applications annually for review, screening and assignment to Grant/Loan sub committees.
- Pursues documentation necessary to forward applications to sub committees or decline further review for cause
- Develops Grant and Loan Contracts for execution
- Manages Grant and Loan Contract execution
- Manages Loan Portfolio
- Presents Grant reimbursement workshops/provides reimbursement consultation
- Manages 60-75 reimbursement requests requiring validation of eligible expenses, receipts, canceled checks, matching funds and strict adherence to Policies and Guidelines
- Pursues additional/corrected documentation necessary for reimbursement pursuant to Policies and Guidelines
- Visits Grantees to review programs
- Manages Advisory Board Meetings and Committee Meetings
- Answers inquiries (phone and walk-ins)

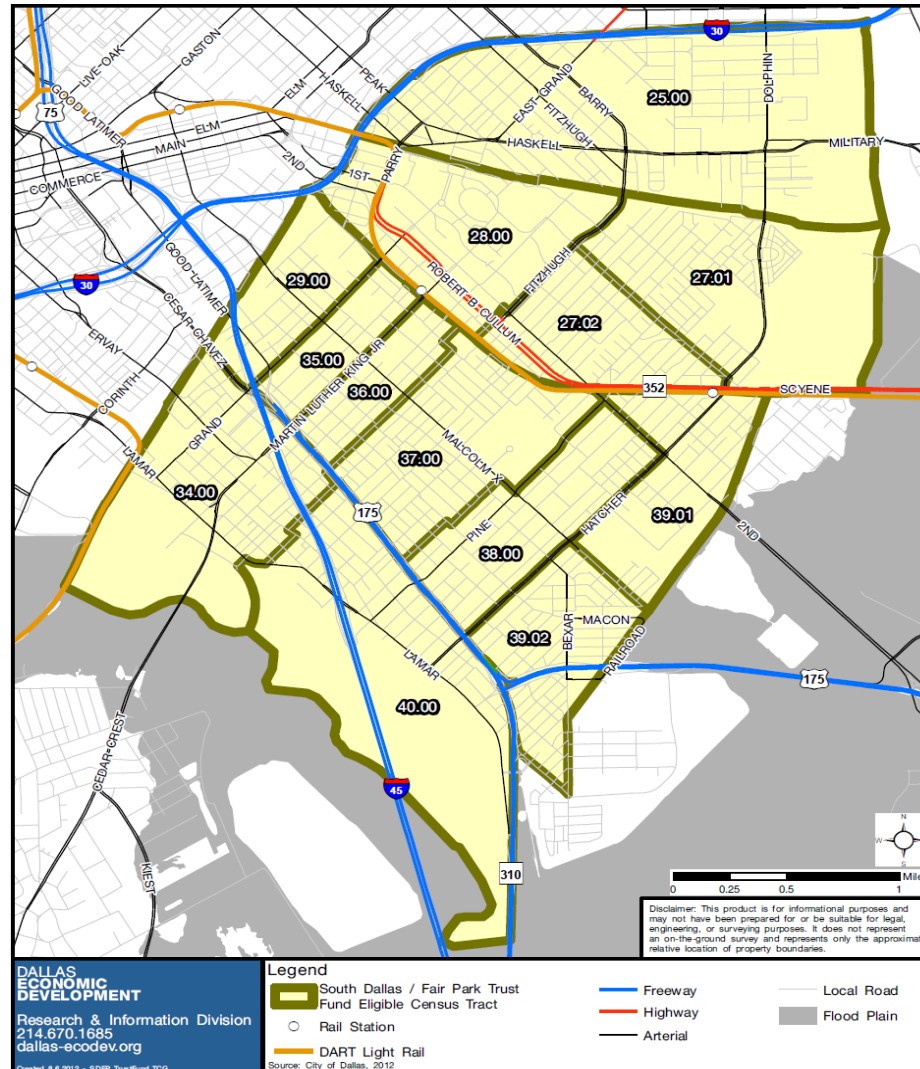
Trust Fund Target Demographics

<u>Census Tract</u>	<u>Households</u>	<u>Population</u>	<u>Median Household Income</u>	<u>Workforce</u>	<u>Business Establishments</u>
25	1614	4458	\$27,394	3268	177
27.01	1058	2744	\$11,143	488	57
27.02	577	1487	\$18,893	317	37
34	650	1312	\$22,891	1135	105
37	1179	3227	\$24,528	480	64
38	793	1976	\$17,563	262	64
39.01	585	1600	\$22,175	1042	57
39.02	684	1912	\$30,189	359	33
40	412	890	\$23,750	998	87
203	<u>1096</u>	<u>2272</u>	<u>\$17,120</u>	<u>3442</u>	<u>257</u>
Total	<u>8648</u>	<u>21878</u>	<u>\$22,533*</u>	<u>11791</u>	<u>938</u>

Source: Demographics - American Community Survey 2009-13 5-Year Estimates; Businesses & Employees - Demographics Now 2014

*Median of Household Income by component Census Tract

Trust Fund Target Census Tracts



Memorandum



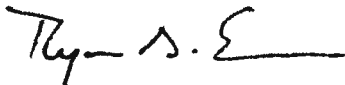
DATE May 29, 2015

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

SUBJECT **Dalfort Area Development Update**

On Monday, June 1, 2015, you will be briefed on the Dalfort Area Development Update. The briefing materials are attached for your review.

If you have any questions, please let me know.



Ryan S. Evans
First Assistant City Manager

C: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
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J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Dalfort Area Development Update

City of Dallas Economic Development Committee –

June 1, 2015

Dallas Love Field



LOVE | EVOLUTION

Background

- The Department of Aviation (DOA) has attempted to market the Dalfort property over the past several years without success
 - Current structure is outdated
 - Significant environmental remediation is necessary for re-use



Dalfort Site Development

November 14, 2012

Resolution Number 12-2724

Amount: \$926,238

- City Council approved a lease agreement with Reed Enterprises Investment Holdings, LP
- Their proposal was to construct new facilities for Fixed Base Operation, office building, retail, and auto dealership on the site
- City would pay for demolition at estimated cost of \$8 million
- Lease was not executed when historical significance of the building was determined

Dalfort Site Development

Modified Design

- Reed Enterprises resubmitted a proposal including renovation of the existing structure, preserving the historical elements
- New development included renovations as well as new construction
- On October 14, 2014, the DOA received the Finding of No Significant Impact (FONSI) from the FAA
- This ruling allowed the modified proposal from Reed Enterprises to proceed

Dalfort Site Development

- The Braniff Centre (formerly Reed Enterprises) will develop both aviation and commercial uses for the site
 - \$17 million capital investment commitment for Aviation use within 36 months
 - Additional \$4 million capital investment within 10 years
 - \$20 million capital investment commitment for commercial use within 60 months



Dalfort Site Development

- The Braniff Centre (formerly Reed Enterprises) will develop both aviation and commercial uses for the site
 - Due to high capital investment a ten-year rent abatement, with rent to Airport beginning in Year 11
 - Total average rent of \$1.15 million/year
 - Will add additional ad-valorem value to the tax rolls (approx. \$500k annually)
 - Sales tax revenues to General Fund for retail and office development (approx. \$600k annually)



Benefits

- Job Creation – 1,200 (Aviation, Office, and Retail)
- Approximate \$65M in annual salaries
- Aviation Development/Growth
- Furtherance of policy (Good Neighbor Plan Initiative)
- Historical Preservation
- Renovation of “eye sore”



Aviation and Commercial Lease

- Approximately 26.802 acres/1,167,513 sq. ft. (Unimproved and Improved Land)
- 39-year term lease
- \$.40 per square foot for unimproved land (Aviation)
- \$.65 per square foot for improved land (Aviation)
- \$.75 per square foot for improved land (Commercial)
- Parking garage \$240,000 annually beginning in year three
 - City will occupy garage for remote employee parking for approximately 36 months
- Title to improvements vests to Lessor upon completion of construction

Community Involvement

- February 10th – 2015
 - Presented future Dallas Love Field (DAL) business opportunities
 - Discussed new Dalfort project requirements
 - No “run-ups” in lease agreement
 - Impact to neighborhood
 - Requested developer research/concept
- April 16th - 2015
 - Developer presented proposed concept

Next Steps

- Gain approval from Economic Development Committee for Council approval of new Lease with the Braniff Centre Limited Partnership on May 27, 2015 (addendum)
- Completion of Design phase for Dalfort site
- Final Design approval by the State Historic Preservation Commission
- Construction/Development phase

Memorandum



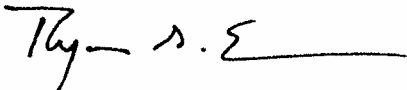
DATE May 29, 2015

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

SUBJECT **Love Field Concession Status**

On Monday, June 1, 2015, you will be briefed on the Love Field Concession Status. The briefing materials are attached for your review.

If you have any questions, please let me know.



Ryan S. Evans
First Assistant City Manager

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Dallas Love Field Concessions Update

Economic Development Committee – June 1, 2015



LOVE | **EVOLUTION**

Purpose

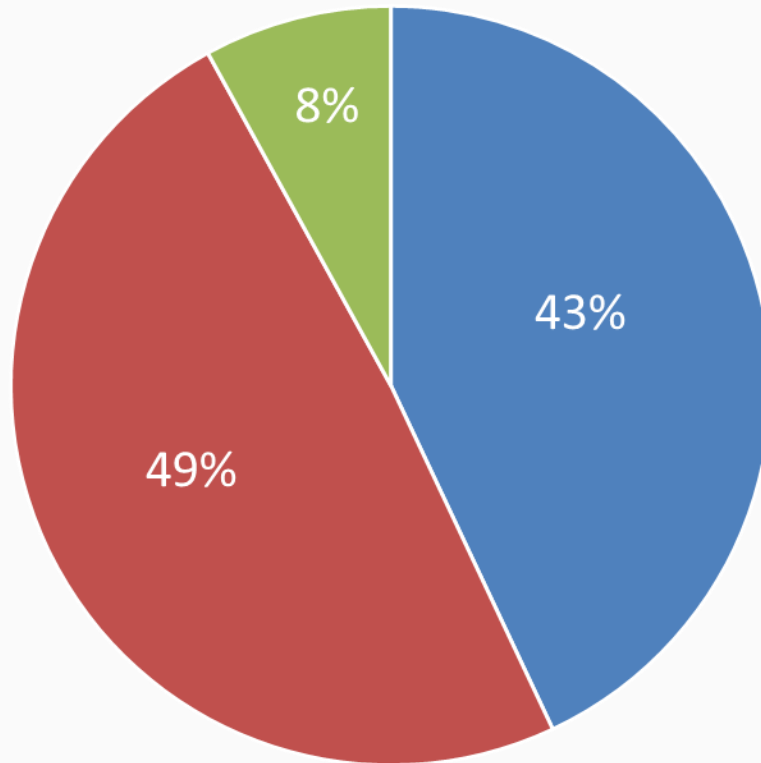
Provide follow up information requested at the May 18, 2015 Committee Meeting

- Summary of DAL vs. other Airport Pricing Methodology, Shared or Common Area Maintenance (CAM) costs
- 2015 DAL F & B Concessions Pro Forma projections vs. actuals
- Profitability of DAL F & B concessions

Background

- DAL Food & Beverage, Retail concessions contracts are based on the following provisions:
 - Proposed or Matched Minimum Annual Guarantees, percentage rental rates, minimum capital investments
 - Street pricing
 - 3% of sales as Cap on the shared costs associated with:
 - Central Distribution Center: Includes third party scheduling, receiving, inspection and distribution of all concessions products
 - Common Area Maintenance Charge: Includes compactor and trash removal costs, Janitorial Services in the food court area
 - Marketing fee
- All concessionaires understood and accepted contract terms prior to award

Airport Concessions Pricing Methodologies – US & Canadian Airports



- No more than street price
- Street plus a percentage
- Other

- Majority of airports surveyed either charge Street Price or Street plus a percentage for products sold to the travelers
- 2014 ACI-NA Survey incorporates data on Concessions revenue from 88 airports
 - Respondents reflect 90% of passenger traffic in the US and 48% of passenger

Source: 2014 ACI – NA Concessions Benchmarking Survey Summary Results

Comparison to Other Airports

Airport	CAP on Shared Cost	Total Shared Cost charged %	Percentage Rent	Percentage Alcohol	Pricing Methodology	Comments
AUS	No	No Common Area Maintenance	16% Average	19.5%	Street + 10	Any additional charges are included with rent
DAL	Yes	3%	10 -20%	15-19%	Street	Pro-rated based on Tenants % of sales
DFW	No	No Common Area Maintenance	12 - 15%	18 - 21%	Street + 10	O&M is charged at \$23.39SF per Year
HOU	No	No Common Area Maintenance	0-17M 13% 17M-18.5 14% >18M 15% Merchandise 12%	0-4.5m 20% > 4.5 22%	Street + 10	Billed on a usage percentage on a yearly basis for trash
IAH	No	No Common Area Maintenance	Food & Non alcohol 14- 16% Merchandise 12-19%	14-19%	Street + 10	Billed on a usage percentage on a yearly basis for trash
SAT	No	No Common Area Maintenance	11%	16%	Street + 5	Concessions are charged common area maintenance: -.69 sf - outside food court -\$1.51 sf - inside food court
STL	No	No Common Area Maintenance	10% - 17%	15%	Street + 10	Charge flat rate of \$5,000 per month trash removal to F&B concessions

DAL Concessions

Pro Forma Sales -vs- Actual Sales

Concession	2015 Pro Forma Sales	2014/2015 Sales*	2015 Sales**
Baskin Robins - C2521	\$1,252,068	\$947,389	\$1,073,952
Bruegger's Bagels – C2521	\$1,300,000	\$7,286	***\$664,848
Campisi's - C2077	\$1,750,000	\$1,261,905	\$1,382,199
On The Border (Cantina Laredo - C2596)	\$3,650,000	\$2,646,456	\$3,089,570
Chick-fil-A – C2063	\$1,850,000	\$1,744,450	\$3,545,875
Cowboys Stadium Legend's Club (Chili's – C2396)	\$2,500,000	\$951,907	\$2,672,471
Cool River - C2125	\$5,250,000	\$4,803,688	\$6,132,528
Cru Wine	\$1,900,000	\$1,360,344	\$1,763,123
Dickey's – C2190	\$1,968,750	\$2,098,030	\$2,475,273
Dunkin Donuts - C2174 – post-security	\$2,086,780	\$1,516,472	\$1,740,372
Dunkin Donuts - L2103 – pre-security	\$782,542	\$507,895	\$700,926

*Sale from May 2014 – March 2015(Hybrid)

**Sale from Jan-March x 4 (Post Wright Amendment)

***Opened 3/28/2015: Sales \$7,286 /4 x 365 = \$664,848

DAL Concessions

Pro Forma Sales -vs- Actual Sales

Concession	2015 Pro Forma Sales	2014/2015 Sales*	2015 Sales**
Jason Deli – C2346	***\$1,500,000	\$746,638	\$1,612,961
La Madeleine – C2546	\$2,150,000	\$1,561,138	\$1,819,600
Manchu Wok - C2186	\$1,664,000	\$756,952	\$877,944
Moe's SW Grill – C2181	\$1,976,000	\$1,297,545	\$1,512,800
Paciugo Gelato – C2321	\$500,000	\$228,790	\$445,760
Sky Canyon – C2216	\$2,647,500	\$1,564,739	\$1,973,806
Starbucks – C2452	\$1,050,000	\$784,799	\$1,446,585
Starbucks – C2653	\$1,550,000	\$1,534,357	\$1,730,772
TexPress Gourmet - C2215	\$1,304,237	\$1,066,307	\$1,391,741
Wendy's (Whataburger - C2081)	\$3,120,000	\$2,585,695	\$2,999,362

*Sale from May 2014 – March 2015(Hybrid)

**Sale from Jan-March x 4 (Post Wright Amendment)

***Pro Forma for 6 months (\$750,000 x 2= \$1,500,000)

DAL Profitability

- AVI staff requested DAL Concessionaires to submit financials to demonstrate profitability
 - Concessionaires only required to report sales; not obligated to provide P & L statements
- Of the seven Food & Beverage Concessionaires:
 - Two declined to provide financial information:
 - They were not seeking a price adjustment (Hudson Group) or supplying such information was not a requirement of the contract (Gina Puente, Inc.)
 - One provided partial information but requested more time to provide the remaining (Dickey's)
 - Two have not yet provided information (The Grove, Pop Four)
 - Two provided financial information (Star Concessions, HMS Host)

Financial Submittals Response

- Of the two concessions that submitted financial statements, the numbers do not show that the concessionaires generated a profit early in the program
- The primary term of the concession contracts did not begin until November 2014
- For the first full quarter of the program (CY15), one concessionaire reported overall positive net income and one concessionaire reported overall negative net income
 - For April 2015 YTD, the concessionaire with an overall negative net income had three units with positive net income and one unit with negative net income

Next Steps

- Proceed with concessions program with current pricing methodology – Street Pricing
- Advertise RFP for additional F & B Concession space – Summer 2015

Memorandum



DATE May 29, 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 **By-Laws for the Mall Area Redevelopment TIF District – June 17, 2015 Council Agenda**

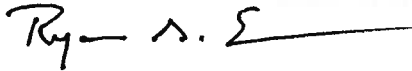
On June 17, 2015, City Council will consider approval of the By-Laws for the Board of Directors of Tax Increment Financing Zone Number Twenty ("Mall Area Redevelopment TIF District" or "District"). The Mall Area Redevelopment TIF District Board of Directors adopted the By-Laws on February 19, 2015 and recommended City Council approval.

The Mall Area Redevelopment TIF District was designated by Ordinance No. 29340 on May 14, 2014.

The Mall Area Redevelopment TIF District Board of Directors is responsible for advising City Council on development or redevelopment in the District. Implementation of the Project Plan for the District shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the District.

The District By-Laws spell out the powers and duties of the Board of Directors. The by-laws for TIF districts in the City of Dallas have been standardized with little variation among TIF districts.

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
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**Fact Sheet: Approval of By-Laws
June 17, 2015 Council Agenda Item
Mall Area Redevelopment TIF District**

A resolution authorizing approval of By-Laws for the Board of Directors of Tax Increment Financing Zone Number Twenty (Mall Area Redevelopment TIF District) - Financing: No cost consideration to the City

- On February 19, 2015, the Mall Area Redevelopment TIF Board of Directors adopted By-Laws and recommended City Council approval.
- The City designated Tax Increment Financing Reinvestment Zone Number Twenty ("Mall Area Redevelopment TIF District" or "District") and established a Board of Directors ("TIF Board") for the District pursuant to Ordinance No. 29340, authorized by the City Council on May 14, 2014.
- The TIF Board is responsible for advising City Council on development or redevelopment in the Mall Area Redevelopment TIF District boundaries in order to implement the purposes for which the Mall Area Redevelopment TIF District was formed and set forth in the ordinance creating the District. Implementation of the Project Plan for the District shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the District.
- By-laws for TIF districts spell out the powers and duties of the respective TIF boards. By-laws are typically adopted by a TIF board with a recommendation for City Council approval. The By-Laws for the Mall Area Redevelopment TIF District are similar to other adopted TIF district by-laws in the City of Dallas.

Key Points of By-Laws

- Board consists of 7 members
 - 6 City-appointees
 - 1 Dallas County-appointee
- The first Board members shall serve for an initial term ending September 30, 2015, or until their successors are appointed.
- After the initial term, the terms of the City-appointed members shall be for two (2) years beginning October 1.
- The term of the County-appointed member shall be at the discretion of the Dallas County Commissioners Court.
- To date, all 6 City-appointed positions are filled.
- Per state law, the County-appointed position cannot be filled until the County agrees to participate in the Mall Area Redevelopment TIF District.

- Quorum requirement: A majority of the members *currently appointed* to the Board shall constitute a quorum.
- A minimum of 5 members must be appointed for the Board to be considered a functioning body.

General Information about the District

- The District was created to stimulate private investment and sustain the orderly redevelopment and revitalization of two commercial core assets of the City while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.
- As allowed by Chapter 311 of the Texas Tax Code ("TIF Act"), the District comprises two non-contiguous sub-districts: (1) the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and (2) the Westmoreland-IH 20 Sub-District for the Southwest Center Mall area in southern Dallas.
- Originally, the Valley View Center Mall and the Southwest Center Mall were created by complex configurations of super-blocks of private land ownership and reciprocal easement agreements that bound multiple owners together. Over the last decade as market conditions have shifted significantly, these same configurations have heavily burdened each mall area, making redevelopment and revitalization extremely challenging without public participation.
- With the assistance of the Mall Area Redevelopment TIF District, each mall area is to be reconfigured over time into a traditional pattern of public streets, public open space, public infrastructure, and smaller parcels of private land ownership, thereby setting the stage for incremental redevelopment that is flexible to meet market and community needs.
- The Montfort-IH 635 Sub-District is generally bounded by Alpha Road, Preston Road, Noel Road, and Interstate Highway 635 (LBJ Freeway). The Montfort-IH 635 Sub-District encompasses approximately 173.9 acres, not including rights-of-way. For the base year (tax year 2014), the appraised value of taxable real property in the Montfort-IH 635 Sub-District was approximately \$148.6 million based on Dallas Central Appraisal District (DCAD).
- The Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Highway 67 (Marvin D. Love Freeway), and Interstate Highway 20 (LBJ Freeway). The Westmoreland-IH 20 Sub-District encompasses approximately 96.6 acres, not including rights-of-way. For the base year (tax year 2014), the appraised value of taxable real property in the Westmoreland-IH 20 Sub-District was approximately \$19.8 million based on information from the DCAD.
- The City's participation in the District is scheduled to be 0% in 2015; 90% from 2016 through 2042; 75% in 2043; and 55% in 2044. The County's participation is anticipated to be 0% for the first five years and then at least 55% for 20 years (2020 through 2039) or until the District is terminated.

- The District's final Project Plan and Reinvestment Zone Financing Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$384.6 million in total dollars (\$160.9 million NPV 2014 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$46.7 million in total dollars (\$21.6 million NPV 2014 dollars) to the District. The District's total budget is approximately \$431.4 million (\$182.5 million NPV 2014 dollars).
- Under the authority of the TIF Act, the District's Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, and land acquisition/assembly for public open space, which is intended to stimulate private investment in the area to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.
- It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$4.2 billion during the life of the District. This includes approximately \$3.75 billion in increased taxable real property value attributable to *new* private investment and \$471 million in increased taxable real property value attributable to *property appreciation*.
- Over the 30-year life of the District, the planned private development program includes:
 - up to 9,294 new residential units
 - up to 847,870 square feet of new retail space
 - up to 72,991 square feet of renovated movie theater space
 - up to 45,000 square feet of new movie theater space
 - up to 4,057,022 square feet of new office space
 - up to 1,037 new hotel rooms

Anticipated Development Montfort-IH 635 Sub-District

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Multi-Family Residential (Condo)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	335	371,850	0	0	133,350	0	0	0	0	\$75,113,250
4	2018	250	277,500	0	0	0	72,991	242,000	0	0	\$85,473,920
5	2019	521	578,310	0	0	0	0	0	0	0	\$86,746,500
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	0	0	0	0	50,000	0	0	273	372,254	\$61,226,830
8	2022	0	0	0	0	50,000	0	0	0	0	\$7,250,000
9	2023	500	555,000	0	0	0	0	350,000	0	0	\$134,000,000
10	2024	305	338,550	0	0	0	0	0	0	0	\$50,782,500
11	2025	0	0	0	0	0	0	0	0	0	\$0
12	2026	0	0	0	0	0	0	0	0	0	\$0
13	2027	400	444,000	200	228,000	100,000	0	350,000	0	0	\$175,375,200
14	2028	962	1,067,820	242	275,880	15,000	0	0	0	0	\$215,013,492
15	2029	0	0	0	0	0	0	908,000	0	0	\$131,660,000
16	2030	636	705,960	0	0	217,520	0	0	684	775,600	\$242,140,400
17	2031	0	0	200	228,000	0	0	0	0	0	\$43,525,200
18	2032	0	0	210	239,400	0	0	552,666	0	0	\$125,838,030
19	2033	300	333,000	0	0	0	0	0	0	0	\$49,950,000
20	2034	600	666,000	0	0	0	0	552,666	0	0	\$180,036,570
21	2035	0	0	274	312,360	0	0	0	0	0	\$59,629,524
22	2036	512	568,320	0	0	0	0	0	0	0	\$85,248,000
23	2037	0	0	227	258,780	0	0	0	0	0	\$49,401,102
24	2038	0	0	0	0	35,500	0	552,666	0	0	\$85,284,070
25	2039	0	0	0	0	35,500	0	0	0	0	\$5,147,500
26	2040	500	555,000	0	0	35,500	0	479,024	0	0	\$157,855,980
27	2041	500	555,000	0	0	35,500	0	0	0	0	\$88,397,500
28	2042	0	0	0	0	0	0	0	0	0	\$0
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		6,321	7,016,310	1,353	1,542,420	707,870	72,991	3,987,022	957	1,147,854	\$2,195,095,568

Anticipated Development Westmoreland-IH 20 Sub-District

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Single Family Residential (Townhome)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	0	0	0	0	0	0	0	0	0	\$0
4	2018	0	0	0	0	0	0	0	0	0	\$0
5	2019	0	0	0	0	0	0	0	0	0	\$0
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	200	220,000	0	0	20,000	0	10,000	0	0	\$19,850,000
8	2022	0	0	0	0	0	0	0	0	0	\$0
9	2023	0	0	0	0	40,000	0	0	0	0	\$3,000,000
10	2024	0	0	0	0	0	45,000	0	0	0	\$4,500,000
11	2025	300	330,000	0	0	0	0	0	0	0	\$26,400,000
12	2026	0	0	15	33,000	0	0	0	0	0	\$2,191,200
13	2027	0	0	15	33,000	0	0	0	80	49,600	\$5,167,200
14	2028	0	0	20	44,000	20,000	0	0	0	0	\$4,421,600
15	2029	300	330,000	30	66,000	0	0	0	0	0	\$30,782,400
16	2030	0	0	20	44,000	0	0	20,000	0	0	\$4,421,600
17	2031	300	330,000	15	33,000	0	0	0	0	0	\$28,591,200
18	2032	0	0	5	11,000	20,000	0	0	0	0	\$2,230,400
19	2033	200	220,000	0	0	0	0	0	0	0	\$17,600,000
20	2034	0	0	0	0	0	0	0	0	0	\$0
21	2035	0	0	0	0	0	0	0	0	0	\$0
22	2036	0	0	0	0	20,000	0	20,000	0	0	\$3,000,000
23	2037	0	0	0	0	0	0	0	0	0	\$0
24	2038	200	220,000	0	0	0	0	0	0	0	\$17,600,000
25	2039	0	0	0	0	0	0	0	0	0	\$0
26	2040	0	0	0	0	20,000	0	0	0	0	\$1,500,000
27	2041	0	0	0	0	0	0	0	0	0	\$0
28	2042	0	0	0	0	0	0	20,000	0	0	\$1,500,000
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		1,500	1,650,000	120	264,000	140,000	45,000	70,000	80	49,600	\$172,755,600

Estimated TIF Increment Generated & Budget Allocation by Sub-District

	Captured Appraised Value	Increment Generated (NPV-2014 dollars)	TIF Budget Allocation (NPV-2014 dollars)	TIF Budget Allocation (Total)
Montfort-IH 635 Sub-District	\$3,923,175,511	\$168,697,782	\$149,123,655	\$352,437,332
Westmoreland-IH 20 Sub-District	\$295,239,688	\$13,764,306	\$30,088,432	\$71,278,447
Administration & Implementation			\$3,250,000	\$7,684,059
Total		\$182,462,088	\$182,462,088	\$431,399,838

TIF District Project Plan Improvements Budget by Category

Project costs are public improvements and grants paid or reimbursed by TIF.

Upon approval of the Project Plan and Reinvestment Zone Financing Plan, any subsequent changes to the budget will be subject to approval by the TIF board and City Council (pursuant to Section 311.011(e) of the Act).

(a)

(b)

(c)

Category	Estimated TIF Expenditure (NPV-2014 dollars)*	Estimated TIF Expenditure (Total)**
Montfort-IH 635 Sub-District		
Public Infrastructure Improvements; Environmental Remediation & Demolition; Grants for Economic Development	\$109,123,655	\$257,864,296
Set Aside for Land Acquisition for Sub-District-Wide Central Open Space***	\$30,000,000	\$70,929,777
Set Aside for Sub-District-Wide Infrastructure Improvements	\$10,000,000	\$23,643,259
Sub-District Total Project Costs	\$149,123,655	\$352,437,332
Westmoreland-IH 20 Sub-District		
Public Infrastructure Improvements; Environmental Remediation & Demolition; Parks, Open Space, Trails, Gateways; Grants for Economic Development	\$30,088,432	\$71,278,447
Sub-District Total Project Costs	\$30,088,432	\$71,278,447
Administration and Implementation****	\$3,250,000	\$7,684,059
Total Project Costs	\$182,462,088	\$431,399,838

* All values discounted to 2014 dollars at 4% annually. Actual expenditure values will depend on timing of project cost incurrence.

** All values are estimated expenditures based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate.

*** Includes land acquisition and associated costs; does not include design, construction, maintenance, or operating/programming costs.

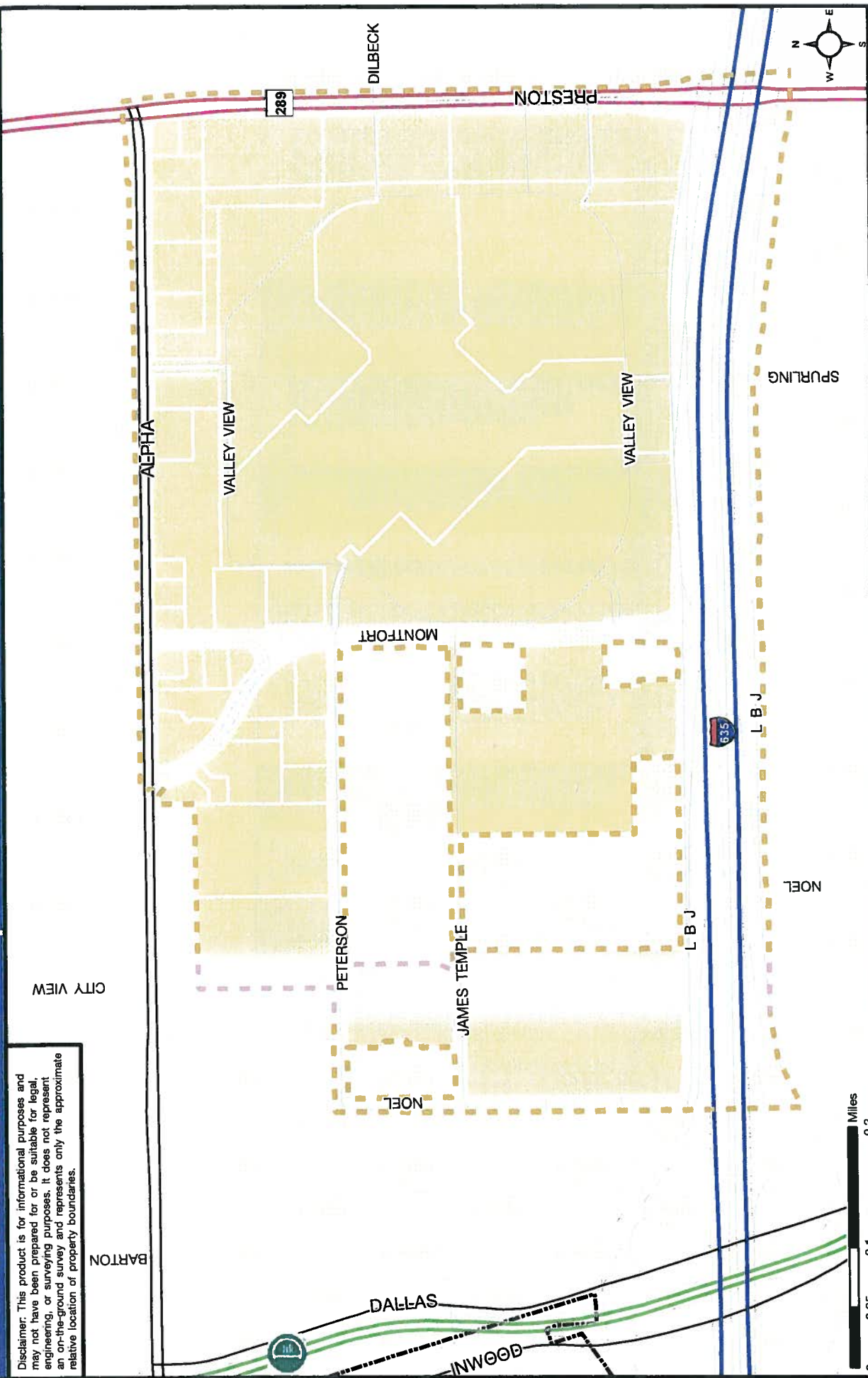
**** Administration costs are estimated at \$100,000 per year, plus \$250,000 cost incurred for the 2012-2013 Valley View-Galleria Area Planning Study. The allocation of the District's estimated administration costs is based on the percentage of tax increment each Sub-District is anticipated to generate.

Annual Projection of Tax Increment to the TIF Fund Sub-Districts Combined

Tax Year	Captured Appraised Value			City of Dallas			Dallas County			TOTAL			CUMULATIVE	
	Appraised Value Monitor-H 635 Sub-District	Appraised Value Westmontland-H 20 Sub-District	Captured Appraised Value Sub-Districts Combined	Real Property Tax Increment	% of City Tax Increment to TIF Fund	City Tax Increment to TIF Fund	Real Property Tax Increment	% of County Tax Increment to TIF Fund	County Tax Increment to TIF Fund	Real Property Tax Increment (City and County)	% of County Tax Increment to TIF Fund	County Tax Increment to TIF Fund	Tax Increment Revenue to TIF Fund (City and County)	Net Present Value (2014 dollars) Annual Discount Rate 4%
Base 2014	\$0	\$0	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	\$0
1	\$1,485,917	\$197,659	\$1,683,576	\$13,418	0%	\$0	\$4,063	0%	\$0	\$13,418	0%	\$0	\$13,418	\$21,579
2	\$2,886,684	\$397,294	\$3,283,988	\$26,870	90%	\$26,870	\$8,226	0%	\$0	\$35,096	0%	\$0	\$35,096	\$53,454
3	\$78,621,927	\$598,526	\$80,220,453	\$639,360	90%	\$639,360	\$185,017	0%	\$0	\$824,377	0%	\$0	\$824,377	\$1,226,894
4	\$171,077,297	\$802,574	\$171,879,871	\$1,369,883	90%	\$1,369,883	\$417,840	0%	\$0	\$1,787,723	0%	\$0	\$1,787,723	\$2,714,719
5	\$267,739,255	\$1,008,259	\$268,747,514	\$2,141,910	90%	\$2,141,910	\$653,323	0%	\$0	\$2,795,233	0%	\$0	\$2,795,233	\$4,210,942
6	\$271,801,555	\$1,216,001	\$273,017,556	\$2,176,747	90%	\$2,176,747	\$663,949	55%	\$365,172	\$2,541,896	55%	\$1,721,501	\$4,232,438	\$6,395,381
7	\$344,166,382	\$2,514,334	\$346,680,715	\$2,938,385	90%	\$2,644,547	\$886,263	55%	\$487,945	\$3,132,492	55%	\$2,219,446	\$5,451,934	\$8,387,322
8	\$350,964,248	\$2,957,136	\$353,921,384	\$2,988,083	90%	\$2,696,484	\$913,865	55%	\$502,628	\$3,600,349	55%	\$2,722,074	\$6,174,003	\$9,496,809
9	\$523,412,478	\$2,967,582	\$526,380,060	\$4,394,489	90%	\$3,955,490	\$1,340,405	55%	\$737,223	\$4,692,713	55%	\$3,459,297	\$8,633,716	\$13,130,525
10	\$800,919,148	\$3,127,925	\$804,047,073	\$4,973,655	90%	\$4,476,290	\$1,517,058	55%	\$834,382	\$5,310,672	55%	\$4,293,679	\$10,924,395	\$16,757,651
11	\$988,314,297	\$68,822,377	\$1,057,136,674	\$5,317,079	90%	\$4,785,371	\$1,621,808	55%	\$901,995	\$6,387,366	55%	\$5,195,674	\$16,143,069	\$24,800,720
12	\$965,783,317	\$71,440,343	\$1,037,223,660	\$5,387,473	90%	\$4,857,725	\$1,646,331	55%	\$905,482	\$6,763,207	55%	\$5,601,157	\$17,744,226	\$27,111,599
13	\$865,184,586	\$76,534,646	\$941,719,232	\$7,505,502	90%	\$6,754,952	\$2,289,319	55%	\$1,259,126	\$8,014,078	55%	\$6,860,283	\$22,983,669	\$35,338,999
14	\$1,190,765,803	\$84,785,697	\$1,275,551,500	\$10,166,145	90%	\$9,140,531	\$3,728,656	55%	\$1,705,476	\$10,846,007	55%	\$9,565,759	\$31,549,428	\$48,688,477
15	\$1,401,439,887	\$132,354,985	\$1,533,794,872	\$12,224,346	90%	\$11,001,911	\$4,709,109	55%	\$2,590,010	\$13,591,021	55%	\$11,991,740	\$45,641,169	\$70,230,666
16	\$1,787,594,768	\$139,522,977	\$1,927,117,745	\$15,438,749	90%	\$13,804,874	\$5,027,059	55%	\$2,764,883	\$16,569,763	55%	\$15,256,623	\$53,897,792	\$83,138,489
17	\$1,880,986,783	\$189,969,711	\$2,070,956,494	\$18,481,145	90%	\$16,488,802	\$5,812,677	55%	\$3,251,972	\$19,740,774	55%	\$18,008,595	\$67,148,387	\$103,186,884
18	\$2,107,435,701	\$191,295,891	\$2,298,731,592	\$18,320,891	90%	\$16,488,802	\$5,812,677	55%	\$3,251,972	\$20,992,746	55%	\$19,260,567	\$84,409,954	\$129,677,433
19	\$2,208,429,829	\$222,775,756	\$2,431,205,585	\$19,384,631	90%	\$17,448,168	\$6,746,341	55%	\$3,710,487	\$21,158,655	55%	\$19,971,174	\$104,651,609	\$160,649,083
20	\$2,549,828,888	\$225,201,173	\$2,775,030,061	\$23,170,140	90%	\$20,905,006	\$7,528,216	55%	\$4,303,607	\$25,208,612	55%	\$23,901,509	\$130,553,118	\$204,622,602
21	\$2,678,518,585	\$227,850,843	\$2,906,369,428	\$22,072,288	90%	\$20,063,126	\$7,528,216	55%	\$4,303,607	\$26,566,724	55%	\$25,262,917	\$155,816,035	\$241,094,547
22	\$2,862,738,649	\$234,876,654	\$3,097,615,303	\$24,683,666	90%	\$22,151,300	\$8,306,843	55%	\$4,816,963	\$28,380,687	55%	\$27,563,724	\$183,379,759	\$283,948,271
23	\$2,981,656,188	\$238,876,654	\$3,220,532,842	\$25,653,301	90%	\$23,178,336	\$9,140,941	55%	\$5,303,607	\$30,682,391	55%	\$29,866,331	\$213,246,090	\$326,814,562
24	\$3,177,640,891	\$276,651,666	\$3,454,292,557	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$32,615,606	55%	\$31,632,396	\$244,878,486	\$376,494,958
25	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$33,608,821	55%	\$32,629,111	\$277,147,607	\$418,624,166
26	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$34,602,036	55%	\$33,622,326	\$310,769,933	\$459,246,412
27	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$35,606,251	55%	\$34,626,541	\$344,396,474	\$500,821,968
28	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$36,610,466	55%	\$35,630,756	\$378,027,200	\$542,452,414
29	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$37,614,681	55%	\$36,634,971	\$411,657,941	\$584,082,860
30	\$3,213,330,891	\$281,184,127	\$3,494,515,018	\$27,816,285	90%	\$25,033,173	\$9,983,215	55%	\$5,983,215	\$38,618,896	55%	\$37,639,186	\$445,288,682	\$625,713,306
Total for years 1-30	\$3,923,175,911	\$295,239,688	\$4,218,415,600	\$448,033,979	55%	\$394,851,045	\$138,045,907	55%	\$68,186,703	\$462,937,752	55%	\$462,937,752	\$431,399,838	\$182,462,088
NPV @ 4%				\$184,356,357		\$180,821,151	\$66,232,158		\$21,579,937					

Mall Area Redevelopment TIF District: Montfort-IH 635 Sub-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.



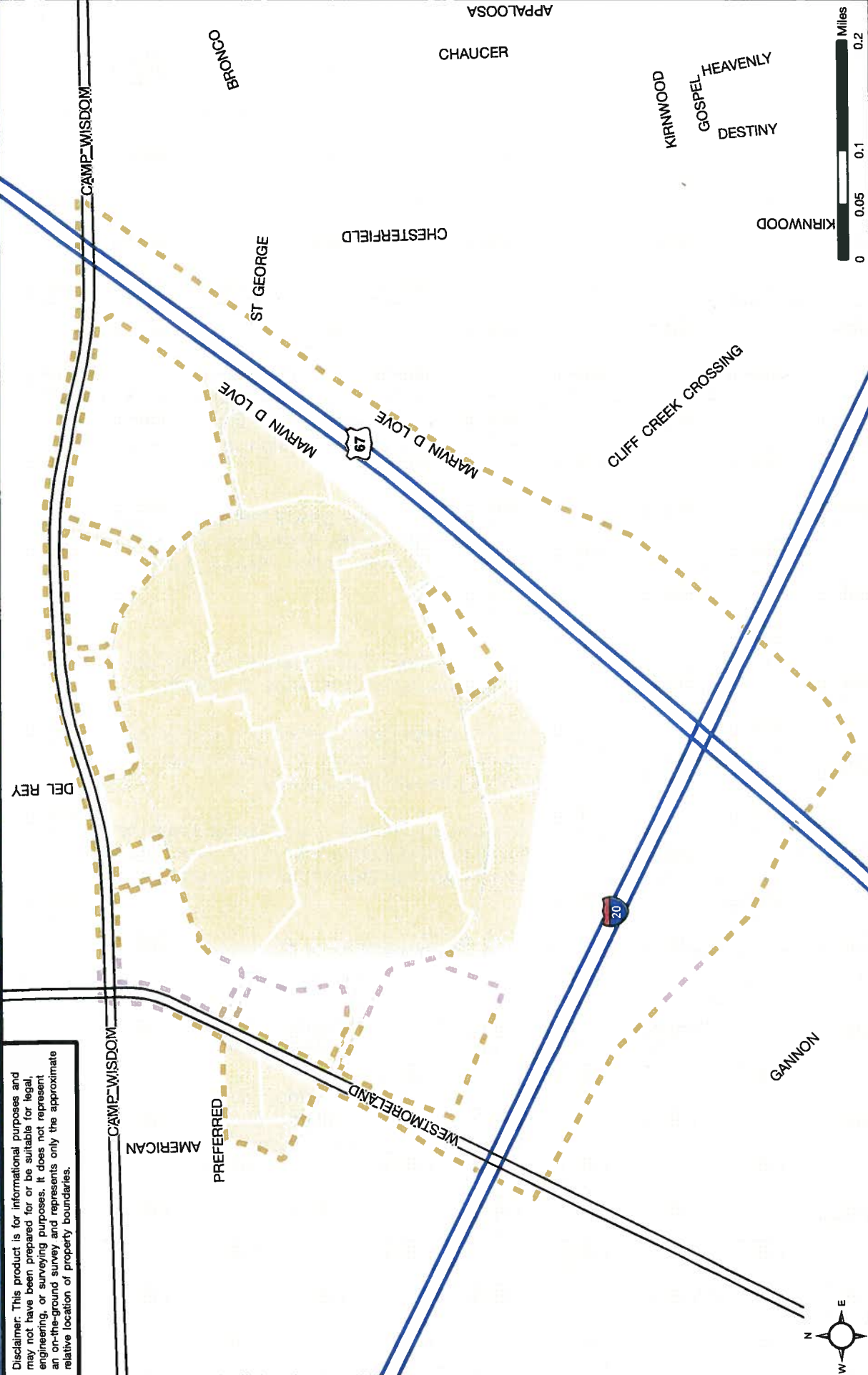
- Legend**
- TIF Sub-District Boundary
 - TIF Sub-District Parcel
 - Freeway
 - Tollway
 - Highway
 - Arterial
 - Local Road
 - City of Dallas

DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 214.670.1685
 dallas-ecodev.org

Source: Parcel Data - Dallas CAD, 2013; All Other Data - City of Dallas, 2014

Mall Area Redevelopment TIF District: Westmoreland-IH 20 Sub-District

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Memorandum



DATE May 29, 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 **Mall Area Redevelopment TIF District: final Project Plan and Reinvestment Zone Financing Plan, June 17, 2015 City Council Agenda**

Over the past several months, City staff and the Board of Directors have been working on the final Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District. On May 14, 2015, the Board of Directors adopted the final Project Plan and Reinvestment Zone Financing Plan and forwarded a recommendation of approval to the City Council.

On June 17, 2015, an ordinance is being recommended for approval that would (1) approve the Project Plan and Reinvestment Zone Financing Plan for the Mall Area Redevelopment TIF District; and (2) authorize a participation agreement with Dallas County for the Mall Area Redevelopment TIF District.

Background

On May 14, 2014, Tax Increment Financing Reinvestment Zone Number Twenty (the "Mall Area Redevelopment TIF District" or "District") was designated by Ordinance No. 29340.

The District was created to stimulate private investment and sustain the orderly redevelopment and revitalization of two commercial core assets of the City while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.

As allowed by Chapter 311 of the Texas Tax Code ("TIF Act"), the District comprises two non-contiguous sub-districts: (1) the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and (2) the Westmoreland-IH 20 Sub-District for the Southwest Center Mall area in southern Dallas.

Originally, the Valley View Center Mall and the Southwest Center Mall were created by complex configurations of super-blocks of private land ownership and reciprocal easement agreements that bound multiple owners together. Over the last decade as market conditions have shifted significantly, these same configurations have heavily burdened each mall area, making redevelopment and revitalization extremely challenging without public participation.

With the assistance of the Mall Area Redevelopment TIF District, each mall area is to be reconfigured over time into a traditional pattern of public streets, public open space, public infrastructure, and smaller parcels of private land ownership, thereby setting the stage for incremental redevelopment that is flexible to meet market and community needs.

The Montfort-IH 635 Sub-District is generally bounded by Alpha Road, Preston Road, Noel Road, and Interstate Highway 635 (LBJ Freeway). The Montfort-IH 635 Sub-District encompasses approximately 173.9 acres, not including rights-of-way. For the base year (tax year 2014), the appraised value of taxable real property in the Montfort-IH 635 Sub-District was approximately \$148.6 million based on information from the Dallas Central Appraisal District (DCAD). The

Montfort-IH 635 Sub-District is recommended by and consistent with the City's adopted Valley View-Galleria Area Plan (May 2013) and will serve as a long-term funding tool to help implement the shared vision for the area by further leveraging other implementation tools (PD 887 zoning and Thoroughfare Plan) approved by the City Council in June 2013.

The Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Highway 67 (Marvin D. Love Freeway), and Interstate Highway 20 (LBJ Freeway). The Westmoreland-IH 20 Sub-District encompasses approximately 96.6 acres, not including rights-of-way. For the base year (tax year 2014), the appraised value of taxable real property in the Westmoreland-IH 20 Sub-District was approximately \$19.8 million based on information from the DCAD. The Westmoreland-IH 20 Sub-District is recommended by and consistent with the City-sponsored Advisory Services Panel report published by the Urban Land Institute (2009) and will serve as a long-term funding tool to help implement many of the report's recommendations over time.

As part of the statutory process for TIF districts, the TIF Act requires that a final Project Plan and Reinvestment Zone Financing Plan (the "Plan") be developed for the TIF district and approved by the City Council after it has been prepared and adopted by the board of directors of the district.

The District's final Plan is consistent with the preliminary Plan that was developed for the District prior to the District's creation in 2014. Minor differences between the final Plan and the preliminary Plan reflect extensive review/refinement over the last few months by City staff and the District's Board of Directors as well as input from key property owners/stakeholders.

The City's participation in the District is scheduled to be 0% in 2015; 90% from 2016 through 2042; 75% in 2043; and 55% in 2044. The County's participation is anticipated to be 0% for the first five years and then at least 55% for 20 years (2020 through 2039) or until the District is terminated.

The District's final Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$384.6 million in total dollars (\$160.9 million NPV 2014 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$46.7 million in total dollars (\$21.6 million NPV 2014 dollars) to the District. The District's total budget is approximately \$431.4 million (\$182.5 million NPV 2014 dollars).

Under the authority of the TIF Act, the District's Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, and land acquisition/assembly for public open space, which is intended to stimulate private investment in the area to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.

It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$4.2 billion during the life of the District. This includes approximately \$3.75 billion in increased taxable real property value attributable to new private investment and \$471 million in increased taxable real property value attributable to property appreciation.

May 29, 2015

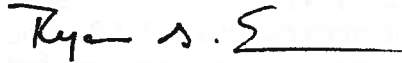
Mall Area Redevelopment TIF District: final Project Plan and Reinvestment Zone Financing Plan

Page 3

Financing

No cost consideration to the City

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

Fact Sheet
June 17, 2015 Council Agenda Item
Mall Area Redevelopment TIF District

An ordinance (1) approving the Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Reinvestment Zone Number Twenty (Mall Area Redevelopment TIF District); and (2) authorizing a participation agreement with Dallas County for Tax Increment Financing Reinvestment Zone Number Twenty - Financing: No cost consideration to the City

- On May 14, 2014, Tax Increment Financing Reinvestment Zone Number Twenty (the "Mall Area Redevelopment TIF District" or "District") was designated by Ordinance No. 29340.
- On May 14, 2015, the Board of Directors adopted the final Project Plan and Reinvestment Zone Financing Plan (the "Plan") for the District and forwarded a recommendation of approval to the City Council.
- The District's final Plan is consistent with the preliminary Plan that was developed for the District prior to the District's creation in 2014. Minor differences between the final Plan and the preliminary Plan reflect extensive review/refinement over the last few months by City staff and the District's Board of Directors as well as input from key property owners/stakeholders.
- The District was created to stimulate private investment and sustain the orderly redevelopment and revitalization of two commercial core assets of the City while taking advantage of each area's strategic regional location at the crossroads of key transportation corridors.
- As allowed by Chapter 311 of the Texas Tax Code ("TIF Act"), the District comprises two non-contiguous sub-districts: (1) the Montfort-IH 635 Sub-District for the Valley View Center Mall area in northern Dallas and (2) the Westmoreland-IH 20 Sub-District for the Southwest Center Mall area in southern Dallas.
- Originally, the Valley View Center Mall and the Southwest Center Mall were created by complex configurations of super-blocks of private land ownership and reciprocal easement agreements that bound multiple owners together. Over the last decade as market conditions have shifted significantly, these same configurations have heavily burdened each mall area, making redevelopment and revitalization extremely challenging without public participation.
- With the assistance of the Mall Area Redevelopment TIF District, each mall area is to be reconfigured over time into a traditional pattern of public streets, public open space, public infrastructure, and smaller parcels of private land ownership, thereby setting the stage for incremental redevelopment that is flexible to meet market and community needs.

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- The Westmoreland-IH 20 Sub-District is generally bounded by Westmoreland Road, Camp Wisdom Road, Highway 67 (Marvin D. Love Freeway), and Interstate Highway 20 (LBJ Freeway). The Westmoreland-IH 20 Sub-District encompasses approximately 96.6 acres, not including rights-of-way. For the base year (tax year 2014), the appraised value of taxable real property in the Westmoreland-IH 20 Sub-District was approximately \$19.8 million based on information from the DCAD.
- The City's participation in the District is scheduled to be 0% in 2015; 90% from 2016 through 2042; 75% in 2043; and 55% in 2044. The County's participation is anticipated to be 0% for the first five years and then at least 55% for 20 years (2020 through 2039) or until the District is terminated.
- The District's final Plan forecasts planned private development projects and public infrastructure improvement expenditures over its 30-year term. The City of Dallas will contribute approximately \$384.6 million in total dollars (\$160.9 million NPV 2014 dollars) to the District. It is anticipated that Dallas County will contribute approximately \$46.7 million in total dollars (\$21.6 million NPV 2014 dollars) to the District. The District's total budget is approximately \$431.4 million (\$182.5 million NPV 2014 dollars).
- Under the authority of the TIF Act, the District's Project Plan Improvements consists of a program of administration and implementation, public infrastructure improvements, economic development grants, and land acquisition/assembly for public open space, which is intended to stimulate private investment in the area to occur earlier and to a much greater extent than would occur solely through private investment in the reasonably foreseeable future.
- It is estimated that, with City and County participation, the cumulative increased real property value is expected to reach approximately \$4.2 billion during the life of the District. This includes approximately \$3.75 billion in increased taxable real property value attributable to new private investment and \$471 million in increased taxable real property value attributable to property appreciation.
- Over the 30-year life of the District, the planned private development program includes:
 - up to 9,294 new residential units
 - up to 847,870 square feet of new retail space
 - up to 72,991 square feet of renovated movie theater space
 - up to 45,000 square feet of new movie theater space
 - up to 4,057,022 square feet of new office space
 - up to 1,037 new hotel rooms

Anticipated Development Montfort-IH 635 Sub-District

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Multi-Family Residential (Condo)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	335	371,850	0	0	133,350	0	0	0	0	\$75,113,250
4	2018	250	277,500	0	0	0	72,991	242,000	0	0	\$85,473,920
5	2019	521	578,310	0	0	0	0	0	0	0	\$86,746,500
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	0	0	0	0	50,000	0	0	273	372,254	\$61,226,830
8	2022	0	0	0	0	50,000	0	0	0	0	\$7,250,000
9	2023	500	555,000	0	0	0	0	350,000	0	0	\$134,000,000
10	2024	305	338,550	0	0	0	0	0	0	0	\$50,782,500
11	2025	0	0	0	0	0	0	0	0	0	\$0
12	2026	0	0	0	0	0	0	0	0	0	\$0
13	2027	400	444,000	200	228,000	100,000	0	350,000	0	0	\$175,375,200
14	2028	962	1,067,820	242	275,880	15,000	0	0	0	0	\$215,013,492
15	2029	0	0	0	0	0	0	908,000	0	0	\$131,660,000
16	2030	636	705,960	0	0	217,520	0	0	684	775,600	\$242,140,400
17	2031	0	0	200	228,000	0	0	0	0	0	\$43,525,200
18	2032	0	0	210	239,400	0	0	552,666	0	0	\$125,838,030
19	2033	300	333,000	0	0	0	0	0	0	0	\$49,950,000
20	2034	600	666,000	0	0	0	0	552,666	0	0	\$180,036,570
21	2035	0	0	274	312,360	0	0	0	0	0	\$59,629,524
22	2036	512	568,320	0	0	0	0	0	0	0	\$85,248,000
23	2037	0	0	227	258,780	0	0	0	0	0	\$49,401,102
24	2038	0	0	0	0	35,500	0	552,666	0	0	\$85,284,070
25	2039	0	0	0	0	35,500	0	0	0	0	\$5,147,500
26	2040	500	555,000	0	0	35,500	0	479,024	0	0	\$157,855,980
27	2041	500	555,000	0	0	35,500	0	0	0	0	\$88,397,500
28	2042	0	0	0	0	0	0	0	0	0	\$0
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		6,321	7,016,310	1,353	1,542,420	707,870	72,991	3,987,022	957	1,147,854	\$2,195,095,568

Anticipated Development Westmoreland-IH 20 Sub-District

TIF Zone Year	Completed During the Single Year Prior to January 1,	Multi-Family Residential (Rental)		Single Family Residential (Townhome)		Retail	Movie Theater	Office	Hotel		Estimated Appraised Value of New Taxable Real Property
		Units	Square Feet	Units	Square Feet	Square Feet	Square Feet	Square Feet	Rooms	Square Feet	
Base	2014										
1	2015	0	0	0	0	0	0	0	0	0	\$0
2	2016	0	0	0	0	0	0	0	0	0	\$0
3	2017	0	0	0	0	0	0	0	0	0	\$0
4	2018	0	0	0	0	0	0	0	0	0	\$0
5	2019	0	0	0	0	0	0	0	0	0	\$0
6	2020	0	0	0	0	0	0	0	0	0	\$0
7	2021	200	220,000	0	0	20,000	0	10,000	0	0	\$19,850,000
8	2022	0	0	0	0	0	0	0	0	0	\$0
9	2023	0	0	0	0	40,000	0	0	0	0	\$3,000,000
10	2024	0	0	0	0	0	45,000	0	0	0	\$4,500,000
11	2025	300	330,000	0	0	0	0	0	0	0	\$26,400,000
12	2026	0	0	15	33,000	0	0	0	0	0	\$2,191,200
13	2027	0	0	15	33,000	0	0	0	80	49,600	\$5,167,200
14	2028	0	0	20	44,000	20,000	0	0	0	0	\$4,421,600
15	2029	300	330,000	30	66,000	0	0	0	0	0	\$30,782,400
16	2030	0	0	20	44,000	0	0	20,000	0	0	\$4,421,600
17	2031	300	330,000	15	33,000	0	0	0	0	0	\$28,591,200
18	2032	0	0	5	11,000	20,000	0	0	0	0	\$2,230,400
19	2033	200	220,000	0	0	0	0	0	0	0	\$17,600,000
20	2034	0	0	0	0	0	0	0	0	0	\$0
21	2035	0	0	0	0	0	0	0	0	0	\$0
22	2036	0	0	0	0	20,000	0	20,000	0	0	\$3,000,000
23	2037	0	0	0	0	0	0	0	0	0	\$0
24	2038	200	220,000	0	0	0	0	0	0	0	\$17,600,000
25	2039	0	0	0	0	0	0	0	0	0	\$0
26	2040	0	0	0	0	20,000	0	0	0	0	\$1,500,000
27	2041	0	0	0	0	0	0	0	0	0	\$0
28	2042	0	0	0	0	0	0	20,000	0	0	\$1,500,000
29	2043	0	0	0	0	0	0	0	0	0	\$0
30	2044	0	0	0	0	0	0	0	0	0	\$0
Totals		1,500	1,650,000	120	264,000	140,000	45,000	70,000	80	49,600	\$172,755,600

Estimated TIF Increment Generated & Budget Allocation by Sub-District

	Captured Appraised Value	Increment Generated (NPV-2014 dollars)	TIF Budget Allocation (NPV-2014 dollars)	TIF Budget Allocation (Total)
Montfort-IH 635 Sub-District	\$3,923,175,511	\$168,697,782	\$149,123,655	\$352,437,332
Westmoreland-IH 20 Sub-District	\$295,239,688	\$13,764,306	\$30,088,432	\$71,278,447
Administration & Implementation			\$3,250,000	\$7,684,059
Total		\$182,462,088	\$182,462,088	\$431,399,838

TIF District Project Plan Improvements Budget by Category

*Project costs are public improvements and grants paid or reimbursed by TIF.
Upon approval of the Project Plan and Reinvestment Zone Financing Plan, any subsequent changes to the budget will
be subject to approval by the TIF board and City Council (pursuant to Section 311.011(e) of the Act).*

(a)

(b)

(c)

Category	Estimated TIF Expenditure (NPV-2014 dollars)*	Estimated TIF Expenditure (Total)**
Montfort-IH 635 Sub-District		
Public Infrastructure Improvements; Environmental Remediation & Demolition; Grants for Economic Development	\$109,123,655	\$257,864,296
Set Aside for Land Acquisition for Sub-District-Wide Central Open Space***	\$30,000,000	\$70,929,777
Set Aside for Sub-District-Wide Infrastructure Improvements	\$10,000,000	\$23,643,259
Sub-District Total Project Costs	\$149,123,655	\$352,437,332
Westmoreland-IH 20 Sub-District		
Public Infrastructure Improvements; Environmental Remediation & Demolition; Parks, Open Space, Trails, Gateways; Grants for Economic Development	\$30,088,432	\$71,278,447
Sub-District Total Project Costs	\$30,088,432	\$71,278,447
Administration and Implementation****	\$3,250,000	\$7,684,059
Total Project Costs	\$182,462,088	\$431,399,838

* All values discounted to 2014 dollars at 4% annually. Actual expenditure values will depend on timing of project cost incurrence.

** All values are estimated expenditures based on annual TIF project costs and debt service schedules. These values depend on timing of projects and will fluctuate.

*** Includes land acquisition and associated costs; does not include design, construction, maintenance, or operating/programming costs.

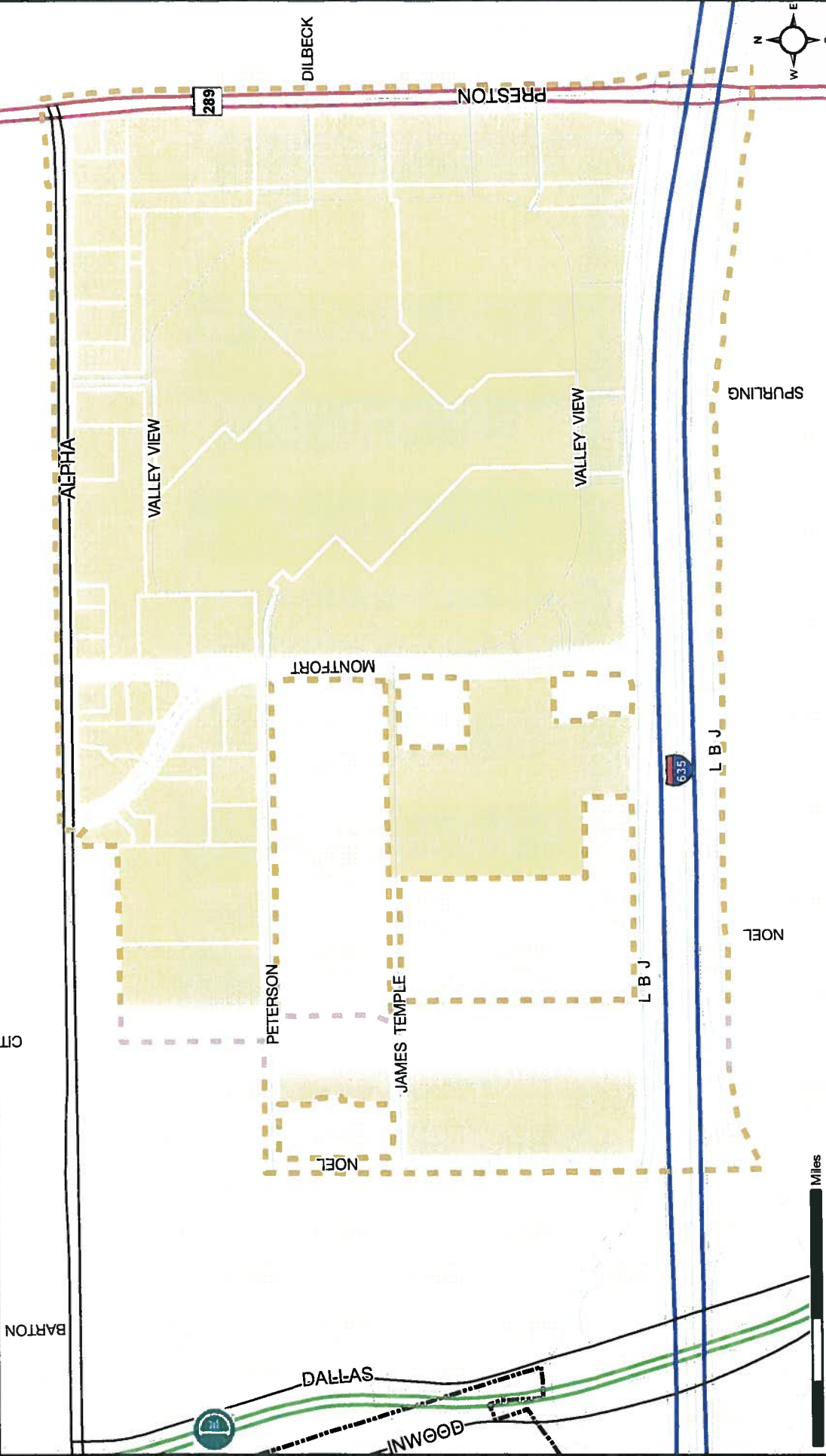
**** Administration costs are estimated at \$100,000 per year, plus \$250,000 cost incurred for the 2012-2013 Valley View-Galleria Area Planning Study. The allocation of the District's estimated administration costs is based on the percentage of tax increment each Sub-District is anticipated to generate.

Annual Projection of Tax Increment to the TIF Fund Sub-Districts Combined

Tax Year	Captured Appraised Value Montford-JH 635 Sub-District		Captured Appraised Value Westmoreland-JH 20 Sub-District		Captured Appraised Value Sub-Districts Combined		City of Dallas				Dallas County				TOTAL Tax Increment Revenue to TIF Fund (City and County)		CUMULATIVE Tax Increment Revenue to TIF Fund Net Present Value (2014 dollars) Annual Discount Rate 4%	
	Base 2014	\$0	\$0	\$0	\$0	\$0	City Real Property Tax Increment	% of City Tax Increment to TIF Fund	City Tax Increment to TIF Fund	Cumulative NPV (2014 dollars)	County Real Property Tax Increment	% of County Tax Increment to TIF Fund	County Tax Increment to TIF Fund	Cumulative NPV (2014 dollars)	City and County	NPV (2014 dollars)	Annual Discount Rate	
1	2015	\$1,485,917	\$197,659	\$1,683,576	\$13,418	\$0	\$13,418	0%	\$0	\$0	\$4,093	0%	\$0	\$0	\$0	\$0	\$0	
2	2016	\$2,886,664	\$397,264	\$3,283,928	\$26,970	\$0	\$26,970	90%	\$24,273	\$8,226	0%	\$0	\$0	\$24,273	\$24,273	\$21,579	4%	
3	2017	\$79,821,927	\$586,226	\$80,220,853	\$638,980	\$0	\$638,980	90%	\$575,424	\$1,061,017	0%	\$0	\$0	\$575,424	\$1,232,894	\$513,454	4%	
4	2018	\$171,077,297	\$802,574	\$171,879,871	\$1,368,883	\$0	\$1,368,883	90%	\$1,232,894	\$4,178,440	0%	\$0	\$0	\$1,232,894	\$1,927,719	\$1,526,603	4%	
5	2019	\$287,238,255	\$1,008,259	\$288,246,514	\$2,781,746	\$0	\$2,781,746	90%	\$1,927,719	\$6,833,323	0%	\$0	\$0	\$1,927,719	\$2,324,244	\$3,060,307	4%	
6	2020	\$271,901,555	\$1,216,801	\$273,118,356	\$2,176,147	\$0	\$2,176,147	90%	\$1,959,072	\$8,833,949	55%	\$365,172	\$277,501	\$2,324,244	\$3,137,491	\$4,816,542	4%	
7	2021	\$344,166,392	\$2,514,334	\$346,680,726	\$4,690,481	\$0	\$4,690,481	90%	\$2,644,547	\$8,833,949	55%	\$365,172	\$277,501	\$3,137,491	\$3,137,491	\$7,109,076	4%	
8	2022	\$350,864,248	\$2,457,138	\$353,321,386	\$3,755,949	\$0	\$3,755,949	90%	\$2,696,484	\$8,365,900	55%	\$502,626	\$690,628	\$3,137,491	\$3,137,491	\$9,356,728	4%	
9	2023	\$523,412,478	\$2,967,582	\$526,380,060	\$4,364,469	\$0	\$4,364,469	90%	\$3,955,049	\$11,037,789	55%	\$737,223	\$1,488,870	\$3,137,491	\$3,137,491	\$12,526,658	4%	
10	2024	\$590,919,148	\$3,127,625	\$594,046,773	\$4,973,655	\$0	\$4,973,655	90%	\$4,476,290	\$13,945,501	55%	\$834,382	\$2,030,888	\$3,137,491	\$3,137,491	\$15,876,370	4%	
11	2025	\$698,314,257	\$68,022,377	\$766,336,634	\$6,677,138	\$0	\$6,677,138	90%	\$4,785,371	\$16,934,430	55%	\$1,621,809	\$2,568,006	\$3,137,491	\$3,137,491	\$19,522,436	4%	
12	2026	\$805,783,317	\$71,440,343	\$877,223,660	\$5,367,473	\$0	\$5,367,473	90%	\$4,857,725	\$18,851,854	55%	\$1,621,809	\$2,568,006	\$3,137,491	\$3,137,491	\$22,963,688	4%	
13	2027	\$883,184,586	\$78,534,848	\$961,719,434	\$7,505,502	\$0	\$7,505,502	90%	\$6,754,952	\$23,752,671	55%	\$1,259,126	\$3,137,491	\$3,137,491	\$3,137,491	\$27,611,596	4%	
14	2028	\$1,180,765,803	\$84,765,687	\$1,265,531,490	\$10,166,145	\$0	\$10,166,145	90%	\$9,149,531	\$28,833,080	55%	\$3,100,866	\$4,805,919	\$3,137,491	\$3,137,491	\$33,638,999	4%	
15	2029	\$1,401,439,987	\$132,354,865	\$1,533,794,852	\$12,224,346	\$0	\$12,224,346	90%	\$11,001,911	\$34,707,081	55%	\$2,590,010	\$5,900,837	\$3,137,491	\$3,137,491	\$40,607,627	4%	
16	2030	\$1,797,584,768	\$139,522,877	\$1,937,107,645	\$15,438,748	\$0	\$15,438,748	90%	\$13,894,874	\$41,840,347	55%	\$4,706,109	\$7,230,479	\$3,137,491	\$3,137,491	\$48,070,626	4%	
17	2031	\$1,890,888,063	\$186,908,911	\$2,077,796,974	\$18,481,145	\$0	\$18,481,145	90%	\$14,833,031	\$49,162,348	55%	\$2,764,883	\$8,585,302	\$3,137,491	\$3,137,491	\$57,957,651	4%	
18	2032	\$2,107,635,701	\$191,295,891	\$2,298,931,592	\$18,320,891	\$0	\$18,320,891	90%	\$16,488,802	\$58,888,838	55%	\$5,912,677	\$10,054,125	\$3,137,491	\$3,137,491	\$67,042,758	4%	
19	2033	\$2,208,623,820	\$222,775,166	\$2,431,398,986	\$22,117,785	\$0	\$22,117,785	90%	\$17,446,168	\$69,856,281	55%	\$6,746,341	\$11,538,283	\$3,137,491	\$3,137,491	\$76,489,119	4%	
20	2034	\$2,549,628,686	\$225,201,173	\$2,774,829,859	\$22,775,128	\$0	\$22,775,128	90%	\$20,853,126	\$82,485,350	55%	\$7,827,329	\$13,166,589	\$3,137,491	\$3,137,491	\$86,652,630	4%	
21	2035	\$2,892,738,585	\$227,650,843	\$3,120,389,428	\$23,170,140	\$0	\$23,170,140	90%	\$22,215,300	\$97,498,882	55%	\$8,887,031	\$14,806,723	\$3,137,491	\$3,137,491	\$97,292,073	4%	
22	2036	\$2,981,658,189	\$234,336,639	\$3,216,004,828	\$24,683,966	\$0	\$24,683,966	90%	\$22,593,971	\$114,822,259	55%	\$9,303,607	\$16,666,091	\$3,137,491	\$3,137,491	\$107,965,483	4%	
23	2037	\$3,177,849,189	\$273,651,666	\$3,451,500,855	\$25,653,301	\$0	\$25,653,301	90%	\$24,758,336	\$132,424,384	55%	\$10,303,607	\$18,686,091	\$3,137,491	\$3,137,491	\$118,671,536	4%	
24	2038	\$3,213,930,991	\$276,585,841	\$3,490,516,832	\$27,509,282	\$0	\$27,509,282	90%	\$25,033,173	\$151,822,259	55%	\$11,303,607	\$20,833,888	\$3,137,491	\$3,137,491	\$129,689,054	4%	
25	2039	\$3,576,632,665	\$281,184,127	\$3,857,816,792	\$30,762,740	\$0	\$30,762,740	90%	\$27,666,666	\$172,424,384	55%	\$12,303,607	\$23,170,140	\$3,137,491	\$3,137,491	\$140,402,186	4%	
26	2040	\$3,803,625,439	\$289,032,633	\$4,092,658,072	\$32,578,324	\$0	\$32,578,324	90%	\$29,320,492	\$194,202,107	55%	\$13,303,607	\$25,653,301	\$3,137,491	\$3,137,491	\$151,300,321	4%	
27	2041	\$3,842,945,611	\$289,032,633	\$4,131,978,244	\$32,578,324	\$0	\$32,578,324	90%	\$29,320,492	\$216,424,384	55%	\$14,303,607	\$28,170,140	\$3,137,491	\$3,137,491	\$162,402,186	4%	
28	2042	\$3,862,880,884	\$289,032,633	\$4,151,913,517	\$32,578,324	\$0	\$32,578,324	90%	\$29,320,492	\$238,646,566	55%	\$15,303,607	\$30,762,740	\$3,137,491	\$3,137,491	\$173,611,536	4%	
29	2043	\$3,862,880,884	\$289,032,633	\$4,151,913,517	\$32,578,324	\$0	\$32,578,324	90%	\$29,320,492	\$260,868,728	55%	\$16,303,607	\$32,578,324	\$3,137,491	\$3,137,491	\$184,922,073	4%	
30	2044	\$3,862,880,884	\$289,032,633	\$4,151,913,517	\$32,578,324	\$0	\$32,578,324	90%	\$29,320,492	\$283,090,910	55%	\$17,303,607	\$34,707,081	\$3,137,491	\$3,137,491	\$196,433,517	4%	
Total for years 1-30																		
NPV @ 4%																		
\$431,309,838																		
\$182,462,088																		

Mall Area Redevelopment TIF District: Montfort-IH 635 Sub-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.



Legend

- TIF Sub-District Boundary
- TIF Sub-District Parcel
- Freeway
- Tollway
- Highway
- Arterial
- Local Road

City of Dallas

DALLAS ECONOMIC DEVELOPMENT

Research & Information Division
 214.670.1685
dallas-ecodev.org

Created: 10/23/13, Updated: 1/17/15 - J.G. JPF, E.A. Skelly, TGG

Source: Parcel Data - Dallas CAD, 2013; All Other Data - City of Dallas, 2014

Mall Area Redevelopment TIF District: Westmoreland-IH 20 Sub-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.



Legend

- TIF Sub-District Boundary
- TIF Sub-District Parcel
- Freeway
- Arterial
- Local Road

Miles
0 0.05 0.1 0.2

DALLAS ECONOMIC DEVELOPMENT
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Source: Parcels - DCAD, 2014; All Other Data - City of Dallas, 2014

Created: 11/16/14; Updated: 11/23/15 - SVC/TIF/PA/Recovery/100

Memorandum



DATE May 29, 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 **Extension of Public Parking Lease Agreement at DalPark Garage (City Center TIF District) –
June 10, 2015 Council Agenda**

On June 10, 2015, City Council, in its sole discretion, has a contractual opportunity to authorize a five-year extension (July 1, 2015 to June 30, 2020) to the existing lease agreement for 150 short-term public parking spaces in the DalPark Garage (southwest corner of Commerce Street and Ervay Street) at a rate of \$100 per space per month (total cost per year of \$180,000).

In comparison to current monthly rates for reserved parking in other garages in downtown, the rate of \$100 per space per month is very competitive. If the City does not exercise this opportunity for a five-year extension, the 150 spaces are likely to become contractually reserved by a private entity and unavailable for public parking (thereby possibly hampering the increasing success and vibrancy of the Main Street core area). As such, staff is recommending authorization for the City to exercise this five-year extension in an amount not to exceed \$900,000 (not to exceed \$15,000 monthly). On April 9, 2015, the City Center TIF District Board of Directors voted to approve staff's recommendation and forward a recommendation of approval to the City Council.

The City has been leasing short-term public parking spaces in the DalPark Garage since 2003. To offset the cost of leasing the spaces, the City receives a share of the revenue generated by the leased spaces. From 2003 to 2010, the City's net cost was an average of approximately \$116,138 per year. From 2010 to 2015, the City's net cost was an average of approximately \$35,011 per year. And more specifically over the past two years, the lease has steadily approached the break-even point for the City. The most recent period (2010-2015) has seen substantial improvement over the previous period (2003-2010) in the performance of the lease primarily because: (1) the amount of leased spaces was "right-sized" (i.e. better balance between public parking supply and public parking demand), (2) the lease rate per space was lower, and (3) the demand for short-term public parking in the Main Street core area increased with successful projects (e.g. The Joule; Main Street Garden).

During the proposed five-year extension period (2015-2020), the total cost will be \$900,000 and will be offset by collections of the City's share of the future revenues (estimated to total approximately \$700,000 - \$770,000) to be generated by the 150 leased spaces. Therefore, the City's net cost over the five-year extension period is estimated to be an average of \$26,000 - \$40,000 per year. Staff will continue to monitor the performance of the lease over the five-year extension period, and should the projected revenues fall below an amount to sustain the costs projected for the next contract year, the lease may be terminated with one-year written notice by either party.

The Parking Initiatives Set-Aside (a specific line item in the City Center TIF District budget) will be used to fund the five-year extension. The City's share of revenues generated by the 150 leased spaces will be remitted back to the City Center TIF District and deposited into the Parking Initiatives Set-Aside budget line item.

In April 2011, City Council adopted the Downtown Dallas Parking Strategic Plan in conjunction with the Downtown Dallas 360 Plan. With the Downtown Dallas Parking Strategic Plan, a parking demand

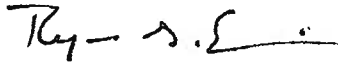
May 29, 2015

Extension of Public Parking Lease Agreement at DalPark Garage (City Center TIF District)

Page 2

model was developed and reaffirmed the presence of a localized parking supply deficit in the downtown core area. Now in mid-2015, a process is being initiated to update the Downtown Dallas 360 Plan and will also include an updated parking study. Parking rates and signage for the leased spaces in the DalPark Garage may be adjusted in the future to conform to any recommendations that may arise from the updated study.

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

FACT SHEET
City Extension of Public Parking Lease Agreement at DalPark Garage
City Center TIF District
June 10, 2015 City Council Agenda

Garage location: 1600 Commerce Street

Owner/Lessor: DalPark Partners, Ltd. (Texas Limited Partnership)
My Parking Corporation (General Partner)
John C. Tatum, Jr., President

Lessee: City of Dallas

Term: 5 years (July 1, 2015 – June 30, 2020)

**Number of TIF spaces:
(remaining unchanged)** 150

Cost per TIF space: \$100/space/month

Total cost: \$900,000 over the 5 year term

Total projected revenue: \$700,000 - \$770,000 over the 5 year term

Total net cost: \$130,000 - \$200,000 over the 5 year term

**Hourly rate of TIF spaces:
(remaining unchanged)** Monday – Friday:
\$1.50/hour/space for the first 4 hours
\$2.00 each additional hour up to max daily rate of \$10.00
\$1.50/hour/space after 6:00 p.m. up to max evening rate of \$3.00

Saturday and Sunday:
\$1.50/hour/space up to max daily weekend rate of \$3.00

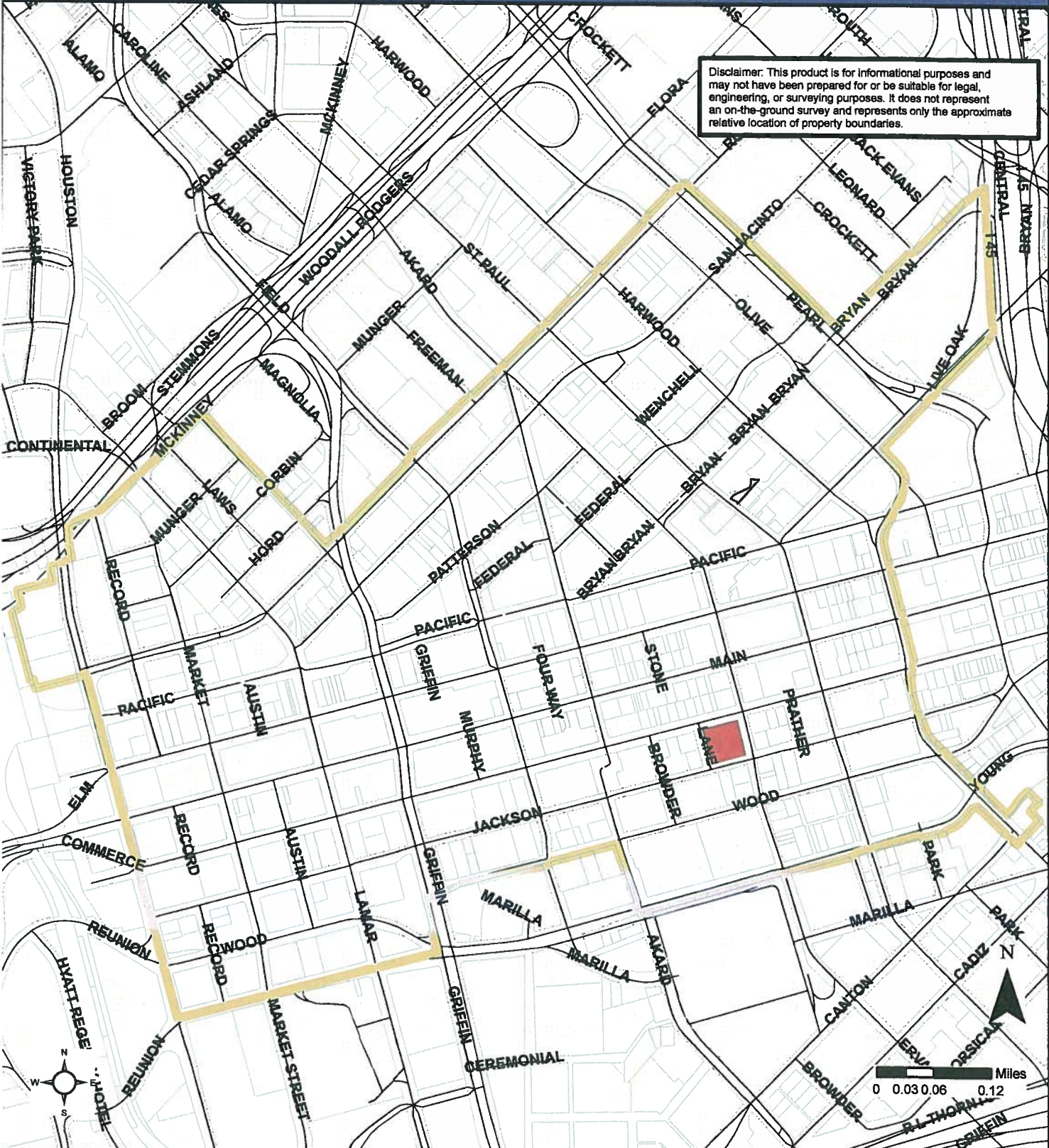
**Hours:
(remaining unchanged)** Monday – Wednesday 6:00 a.m. to 10:00 p.m.
Thursday – Sunday 6:00 a.m. to 3:00 a.m.

**Operating expenses:
(remaining unchanged)** Responsibility of DalPark Partners, Ltd.

**Termination:
(remaining unchanged)** Either party can terminate the agreement with one-year written notice

DalPark Garage City Center 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

- Legend**
- City Center TIF District Boundary
 - DalPark Garage

Memorandum



CITY OF DALLAS

DATE May 29, 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 **Chapter 380 Economic Development Grant Agreement with the Cesar Chavez Foundation**

On June 17, 2015, the City Council will be asked to consider authorization of a \$50,000 Chapter 380 economic development grant with the Cesar Chavez Foundation Education Institute associated with a specialized after school education program to be located at the Polk-Wisdom Library, 7151 Library Lane, Dallas, Tx 75232. The program is intended to serve Kindergarten through Fifth Grade students attending the Ronald McNair Elementary School. Children from the Parks at Cliff Creek apartment complex and surrounding multifamily properties will be eligible to attend this specialized education program.

The estimated annual cost of the education program is approximately \$104,000. The Cesar Chavez Foundation is required match or exceed the proposed \$50,000 of City funding with cash or in-kind contributions to cover operating expenses for the program. Costs for the program include, but are not limited to, teacher and coordinator salaries and benefits, curriculum technology (Google Chrome Books), student materials, marketing, phones, and indirect costs such as accounting and human resources. The proposed Chapter 380 economic development grant is non-conforming to the City's Public/Private Partnership Program.

The Cesar Chavez Foundation's Education Institute (CCFEI) has provided educational services throughout the southwest for over forty-five years. The CCFEI's mission is to improve the level of academic proficiency for farm workers, Latinos and other working families by providing educational opportunities that may not otherwise be available. The institution's programs offer critical opportunities to ensure that all students get the support needed to reach their full potential. Through its services, CCFEI produces educational products and services that address the needs of students by employing highly qualified administrators and teachers who are dedicated to the communities they serve.

Using nationally recognized research-based instructional methods, scientifically based practices and intervention strategies, CCFEI is able to support the success of its students while building character and core values. The education program focuses on homework assistance, self-organized learning environment (SOLE), physical activity and a special project per semester (science fair, talent show, or service learning). Through SOLE, the students research complex issues and questions to develop their knowledge as part of its inquiry-based learning curriculum. The instructors encourage their class to work in teams to seek answers and information on the internet and observe, reflect and instigate kind and purposeful intervention strategies. The instructors use Google Chrome Books for SOLE. SOLE is an alternative to the "test preparation" training and its goal is to encourage intellectual curiosity and motivate students to want to read, write and communicate effectively.

Fiscal Information

\$50,000 – Public/Private Partnership funds

Staff

Karen Schaffner, Manager, City of Dallas Housing Finance Corporation

Recommendation

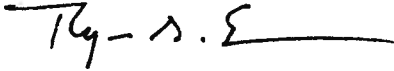
Staff recommends approval of the subject item.

May 29, 2015

Chapter 380 Economic Development Grant Agreement with the Cesar Chavez Foundation

Page 2 of 2

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



Ryan S. Evans
First Assistant City Manager

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

CESAR CHAVEZ FOUNDATION

Education Fund - Community Services

After School Program - Serving 50 Students

<u>Line Item</u>	<u>Description</u>
Compensation	12,500 Regional Coordinator @ 25% of their time. Salary at \$50,000 1 PT Lead Teacher = 180 days of program @ 6 hrs each day and 10 days of training & prep @ 8 hrs each day for a total of 1,160 hours of work for 10 months. LT wage at \$20.00 per hour
	23,200
	3 PT Teacher assistant for afterschool program. 180 days of program @ 3.5 hrs each day. TA wage at \$10.00 per hour.
Benefits	18,900
	10,328 18% rate for part-time employment & 22% for full-time
Classroom Fee	- In-kind Donation
Curriculum	Annual updates for SOLE implementation. Curriculum Developer and Evaluator. Annual fee of \$55,000 @ 0%.
Technology	3,300 12 Google Chrome Books for SOLE @ \$275.00 each Supplies needed for technology and evaluation tools. Technology includes supplies used by students to conduct presentations such as writing paper, art paper, pencils, pens, crayons, color pencils, etc.
Student Material	12,500 Printing fee for copies of evaluation tools plus survey monkey to assess students via internet tool
Student Assessment	- 2 Field Trip to local areas (within 50 miles) that are connected to learning outcomes. Theater Show/Art Museum and Science Museum.
Field Trips	2,500
Snacks	50 students x \$.75 per students for snacks at an average of 21.5 days per month (10 month program)
Food & Lodging	2,000 RC's lodging and food expense will traveling for site visits or observation for program evaluation.
Travel Costs	2,370 RC's expense for travel to and from SSPLC for site visit or program evaluation.
Facilities Rent	- RC's office cost. 0% of total expense of \$3,000. Job posting for Lead Teacher position on Craigslist, CareerBuilder, Indeed.com. Flyers purchased for student recruitment.
Marketing/Advertising	500
Postage/Shipping	200 Monthly fee for shipping of monthly paperwork/reporting and possible fees to ship supplies and curriculum
Telephone/Fax	1,060 Monthly phone and internet service fee for RC's office. 10% of total expense of \$1,500.
Office Operations/Supplies	2,750 Supplies needed at learning center and LT office to run daily operations. Includes ink, cleaning supplies, staples, copy paper, pens, etc. Includes office supplies for RC.
Events/Miscellaneous	2,000 Student recognition, event supplies and celebration supplies (birthday, holiday, science fair, etc)
Indirect Costs	4,019 Fees associated with Accounting, Legal, HR and IT
GRAND TOTAL	104,877
Cost per Student	2,098

VARIABLE COSTS

FIXED COSTS

Memorandum



DATE May 29, 2015

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

SUBJECT **Call a public hearing for renewal and expansion of Lake Highlands Public Improvement District – June 17, 2015 and August 12, 2015 Council Agenda**

On June 17, 2015, City Council will be asked to consider a resolution calling for a public hearing regarding the renewal and expansion of the Lake Highlands Public Improvement District (LHPID) to be held on August 12, 2015.

On April 1, 2015, the Lake Highlands Improvement District Corporation (LHIDC), representing property owners of the Lake Highlands area, presented to the City staff petitions requesting the renewal and expansion of the Lake Highlands Public Improvement District in accordance with the parameters of Chapter 372 of the Texas Local Government Code.

City staff reviewed the petitions and determined that the owners of more than sixty percent of the property value and more than sixty percent of the land area had signed the petitions for the renewal and expansion of the LHPID. These benchmarks exceed the minimum requirements set in the City of Dallas PID Policy for the City Council to consider renewal of the District and exceed State requirements for sufficiency of the petition. Staff has also evaluated the service plan and recommended that the services be made as proposed by the proposed service plan and the plan is viable.

The proposed renewal includes an expansion of the prior service plan area. Initially during the petition process LHIDC sought to include an even larger expansion area; however, based on the level of property owner support the expansion area was adjusted. The new proposed boundary is reflected in the attached **Exhibit A** map.

LHPID was initially established in 2008 and this is the first renewal process. The area is located in Council Districts 9 and 10. The current proposed boundary of the LHPID consists of approximately 1,149 properties and is primarily a combination of business, office and residential uses. The general nature of the proposed services and improvements includes enhanced security and public safety, capital improvements, improvement of common areas, landscaping, trash/litter removal, graffiti control, marketing and promotional activities, distinctive lighting and signage, business development and recruitment to promote the area, and related expenses incurred in establishing, administering and operating the District as authorized by the Act and approved by the Dallas City Council.

LHPID Renewal and Expansion

May 29, 2015

Page 2 of 3

During the seven (7) year period of the district, the estimated annual cost of the improvements and services provided by the existing and expanded District is estimated to range from approximately \$483,966 to \$1,118,358 annually. Based on the estimated maximum cost of improvements and services, the seven year total assessment collection requested by the District shall not exceed a collective total of \$7,828,505. The LHPID shall be allowed to request additional assessment collections, subject to the maximum assessment rate of \$.15 per \$100.00 valuation, if the character of property within the District changes (i.e. undeveloped to developed) during the renewal period and the changes necessitate an increase in the improvements and services budget to maintain the special benefits conferred to the District. Properties within the District will be charged with a special assessment to cover the cost of these services.

The proposed assessment rate for the seven year period is \$0.13 per \$100.00 valuation. The annual assessment rate shall not exceed \$0.15 per \$100.00 valuation. The assessment rate will be reviewed and approved annually by the Dallas City Council and will be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code.

The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City right-of-way, railroad right-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to PID assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract.

Subjected to City Council approval, the renewed LHPID will start operating from January 1, 2016 for seven years. The District will be managed through Lake Highlands Improvement District Corporation (LHIDC) a private nonprofit corporation. The City Council will review and approve annually the Service Plan and Assessment Plan that determines and levy assessments and conducts other functions as required by the Act. The LHIDC will be responsible for the management of the District.

The District shall automatically dissolve on December 31, 2022 unless the District is renewed through the petition and approval process as provided by the Act. During the term of the PID, if required, the PID can be dissolved by petitions signed by majority of the property owners within the PID as provided by the Act. If the District is dissolved, the District nonetheless shall remain liable for the payment of any indebtedness for the District.

The City desires, by the calling and holding of such public hearing, to provide a reasonable opportunity for any owner of property located within the District to speak for or against the creation of the LHPID for a special assessment against each property owner of record for real property and real property improvements to provide funding for the District for the purpose of providing supplemental services and improvements.

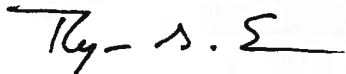
The term of the District upon creation is seven years (2016 to 2022). Pending approval, the renewed LHPID operations will commence next year.

Financing

No cost consideration to the City.

Recommendation

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

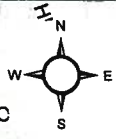


Ryan S. Evans
First Assistant City Manager

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Legend:

- LHPID proposed boundary
- Parcels in existing LHPID
- Parcels to be added to LHPID
- Excluded Parcels – not in the PID

Parcels shown based on available 2014 geography. Any parcels shown within the boundary lines of the PID are intended to be included even in the event of future replats

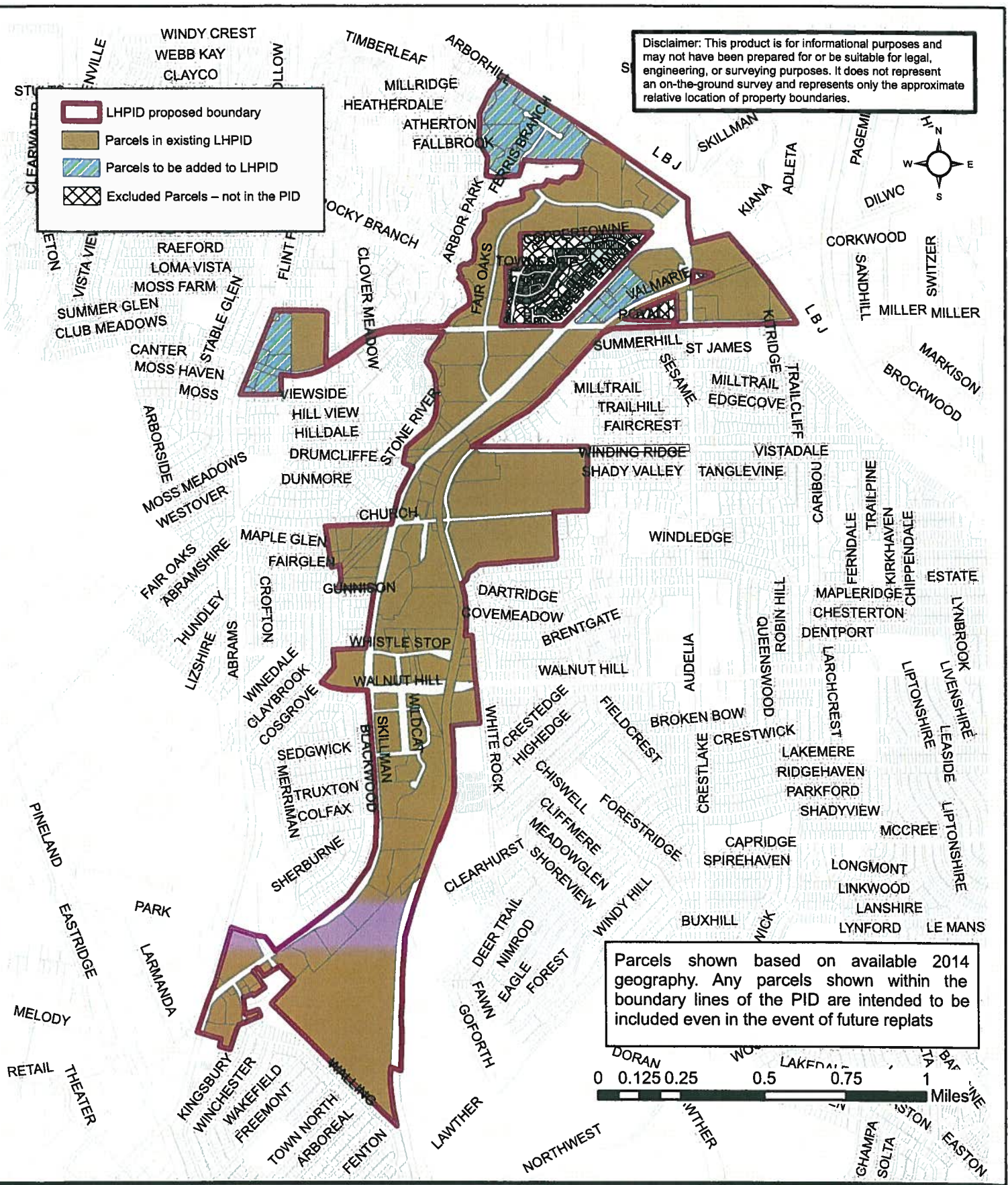
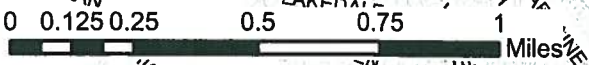


Exhibit A - Proposed Lake Highlands PID Boundary Map

City of Dallas
Office of Economic Development
Created 5/2015

Memorandum



CITY OF DALLAS

DATE May 29, 2015

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

SUBJECT **Call a public hearing for renewal of Vickery Meadow Public Improvement District –
June 17, 2013 and August 12, 2013 Council Agenda**

On June 17, 2015, City Council will be asked to consider a resolution calling for a public hearing regarding the renewal of the Vickery Meadow Public Improvement District (VMPID) to be held on August 12, 2015.

On April 1, 2015, property owners in the Vickery Meadow area, represented by Vickery Meadow Management Corporation, presented to the City staff petition requesting the requesting the renewal of the Vickery Meadow Public Improvement District.

City staff reviewed the petitions and determined that the owners of more than sixty percent of the property value and more than sixty percent of the land area had signed the petitions for the renewal of the VMPID. These benchmarks exceed the minimum requirements set in the City of Dallas PID Policy for the City Council to consider renewal of the District and exceed State requirements for sufficiency of the petition. Staff has also evaluated the service plan and recommended that the services be made as proposed by the proposed service plan and the plan is viable.

VMPID was initially established in 1993 and renewed in 1998, 2003, and 2008. The PID area per Exhibit A is located in Council Districts 10 and 13. VMPID consists of approximately 2300 properties including 110 businesses, 11,929 multi-family units and 5 DISD schools. The general nature of the proposed services and improvements to be performed by the District includes enhanced security and public safety, neighborhood improvements, landscaping, trash/litter removal, graffiti control, marketing and promotional activities, recreation programming, cultural enhancements, economic development, Midtown Park and Park Lane area improvements, business recruitment to promote the area as the Vickery Meadow District, and related expenses incurred in establishing, administering and operating the District as authorized by the Act and approved by the Dallas City Council.

During the seven (7) year period, the estimated annual cost of the improvements and services provided by the District is estimated to range from approximately \$608,000 to \$915,977 annually. Based on the estimated maximum cost of improvements and services, the seven year total assessment collection requested by the District shall not exceed a collective total of \$6,411,834; provided however, the District shall be allowed to request additional assessment collections, subject to the maximum assessment rate of \$.15 per \$100.00 valuation, if the character of property within the District changes (i.e. undeveloped to developed) during the renewal period and the changes necessitate an increase in the improvements and services budget to maintain the special benefits conferred to the District. Properties within the District will be charged with a special assessment to cover the cost of these services.

The proposed assessment rate for the seven year period includes a "Standard Service Area" with a rate of \$0.05 per \$100.00 valuation and a "Premium Service Area: with a rate of \$0.10 per \$100 valuation. The annual assessment rate shall not exceed \$0.15 per \$100.00 valuation. The assessment rate will be reviewed and approved annually by the Dallas City Council and will

be carried out in accordance with procedures stipulated in Chapter 372 of the Texas Local Government Code.

The District shall pay the costs of the services and improvements by special assessment against the real property and real property improvements. The City of Dallas is not responsible for payment of assessment against exempt City property in the District. City right-of-way, railroad right-of-way, City parks and cemeteries are not specially benefitted and therefore are not subject to PID assessment. Payment of assessments by other exempt jurisdictions and entities must be established by contract.

Subjected to City Council approval, the renewed VMPID will start operating from January 1, 2016 for seven years. The District will be managed through Vickery Meadow Management Corporation, a private nonprofit corporation. The City Council will review and approve annually the Service Plan and Assessment Plan that determines and levy assessments and conducts other functions as required by the Act. The Vickery Meadow Management Corporation will be responsible for managing and implementing the Service Plan of the District.

The District shall automatically dissolve on December 31, 2022 unless the District is renewed through the petition and approval process as provided by the Act. During the term of the PID, if required, the PID can be dissolved by petitions signed by majority of the property owners within the PID as provided by the Act. If the District is dissolved, the District nonetheless shall remain liable for the payment of any indebtedness for the District.

The City desires, by the calling and holding of such public hearing, to provide a reasonable opportunity for any owner of property located within the District to speak for or against the creation of the VMPID for a special assessment against each property owner of record for real property and real property improvements to provide funding for the District for the purpose of providing supplemental services and improvements.

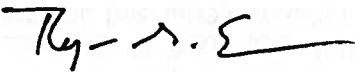
The term of the District upon creation is seven years (2016 to 2022). Pending approval, the renewed VMPID operations will commence next year.

Financing

No cost consideration to the City.

Recommendation

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

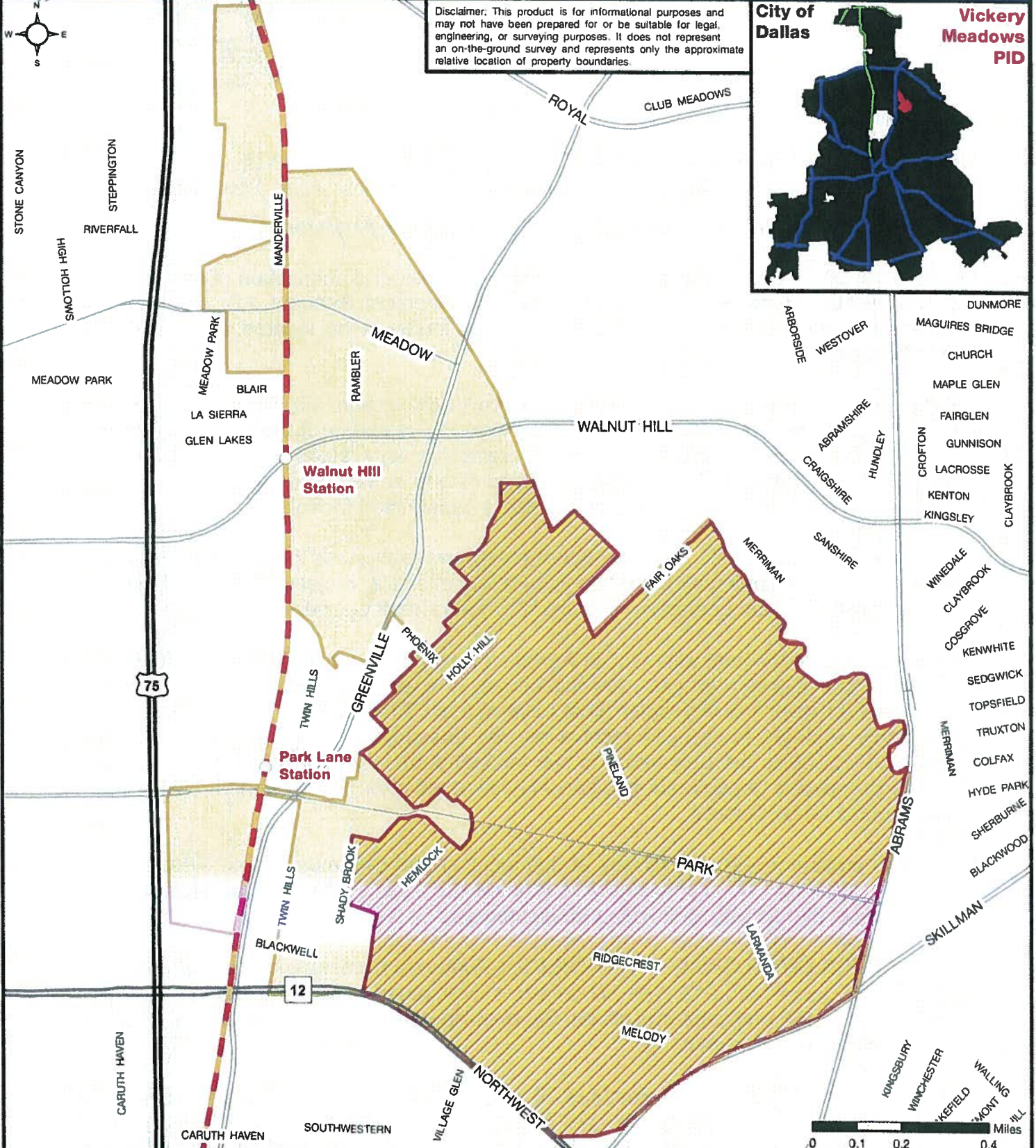


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Vickery Meadows Public Improvement District



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City of Dallas
Vickery Meadows PID

DALLAS ECONOMIC DEVELOPMENT

Research & Information Division
214.670.1685
dallas-ecodev.org

Created: 3/11/10, Updated: 8/31/11 - PID_VickeryMeadows.TCG

Legend

- Vickery Meadows PID Premium
- Vickery Meadows PID
- Rail Station
- DART Red Line
- DART Orange Line
- Freeway or Tollway
- Highway
- Arterial
- Local Road

Source: City of Dallas, 2011

Memorandum



DATE May 29, 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 **Courtland Mtn. Creek Spec Building – Real Property Tax Abatement**

On June 10, 2015, the City Council will be asked to consider authorization of an 8-year, 75% real property tax abatement with TC Mt. Creek Development Partners, LP., associated with its proposed new speculative industrial warehouse facility to be located at 4895 Mountain Creek Parkway, Dallas.

For the past several months, City staff has been in discussion with Courtland Group LLC, representing TC Mt. Creek Development Partners, LP, regarding the potential development of a 192,000 square foot speculative warehouse facility on a 10.75 acre site located within Mountain Creek Business Park. The Courtland Group seeks City Council approval of an eight-year, 75 percent tax abatement on the newly constructed facility.

The Courtland Group LLC, a Dallas development company, has been in business for 32 years and has developed over 25 million square feet of similar projects. Courtland Group has been responsible for the development of the Mountain Creek business park.

The proposed development will result in a total investment of at least \$7,000,000 for site work and real property improvements. As the project is speculative, there is no minimum job requirement however the developer must have at least 70 percent of the facility leased and occupied by a tenant in order to receive the tax abatement. If the required space is not leased and occupied, the abatement is lost for that year. Additionally, if the space fails to meet the occupancy requirement two consecutive years after the abatement has begun, the abatement will be terminated.

In order to provide the tax abatement at this location, the City must create a Neighborhood Empowerment Zone. This zone, similar to Reinvestment Zones the City has used in the past, is necessary to the authorization of the tax abatement.

TC MT. CREEK DEVELOPMENT PARTNERS, LP intends to commence vertical construction in the second quarter of 2015. The full project is anticipated to be complete in mid-2016. In consideration of the proposed incentives, the developer will invest a minimum of \$7,000,000 in real property improvements.

The forgone revenue from the proposed 75 percent, eight year real property abatement is estimated at \$382,560. The 10-year net fiscal impact of the proposed development after incentives is estimated at \$1,616,341 with a twenty-year net fiscal impact of of \$4,115,400. This project complies with the Public/Private Program guidelines in that it involves an investment of more than \$1,000,000 at this Southern Sector site.

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
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Elsa Cantu, Assistant to the City Manager – Mayor & Council

Proposed Project Information Worksheet Economic Development Committee

A. Project Summary/Assumptions

City Council District	8	
Project/Company Name	Courtland Group LLC	
Project Location	4895 Mounain Creek Parkway	
Project Type	Speculative warehouse	
Facilities (Square Feet)		
Construction Schedule	Begin	1-Apr-15
	Complete	6/31/2016
Private Improvement Investment	Real Property	\$8,000,000
	Business Property	\$29,200,000
Jobs	Created	NA
	Retained	NA
Average Wage Rate	Salary	NA
	Hourly	NA
City Incentive Summary	Tax Abatement	\$1,616,341
	Infrastructure	NA
	Other - Grant	NA

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

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	75	58,787,457	75	128,116,685
Indirect and Induced Impact*	30	47,029,966	30	102,493,348
Total Impact	105	105,817,423	105	230,610,033

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	3,151,986	6,753,695
Total City GF Service Costs	1,153,085	2,255,735
Net Impact Before Incentives	1,998,901	4,497,960
City Incentives	382,560	382,560
Net City Fiscal Impact	1,616,341	4,115,400

* 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	\$ 348,727	N/A
Dallas County	\$ 94,153	N/A
DCCCD	\$ 46,388	N/A
Parkland Hospital	\$ 102,672	N/A
DART	-	N/A

TC Mt. Creek Development Partners LP

0 0.025 0.05 0.1 Miles

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TC Mt. Creek Development Partners LP
4895 Mountain Creek Parkway
Dallas, TX 75236

MOUNTAIN_CREEK

MERRIFIELD

20



DALLAS
ECONOMIC
DEVELOPMENT
Research & Information Division
214.670.1685
dallas-ecodev.org

Legend

Site

Freeway

Arterial

Local Road

Source: City of Dallas, 2015

Created 5/6/2015 - 15-05-05 Chris O'Brien, GR, TCG

Memorandum



DATE **May 29, 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 **Amendment to TIF Policy to add criteria for education/training programs – June 17,
2015 Council Agenda**

On June 17, 2015, City Council will be asked to consider an amendment to the adopted TIF Policy for evaluating proposed TIF districts to add consideration for funding education/training programs to benefit the district and adjacent neighborhoods and make minor updates to program language in existing criteria.

City Council first adopted a Tax Increment Financing Policy on February 23, 2005. The policy established the criteria used to evaluate new TIF Districts for proposed creation, beyond the minimum requirements of State law. The criteria encompass financial and policy issues using a point system that assists staff in uniformly evaluating new TIF Districts for City Council consideration. The criteria balances financial considerations, sets minimum standards and return levels for City participation, and policy considerations such as augmenting other public investment, affordable housing, M/WBE participation and promoting core City assets.

In November 2009, the Policy was amended to include the ability to extend the term of existing TIF Districts; establish the criteria under which term extension requests will be evaluated; and clarify the minimum new investment criteria for the creation of new TIF Districts.

The proposed amended Policy criteria is attached as **Exhibit A** and includes an adjustment under the policy benefits point system to add consideration for education/training programs that benefit the district and adjacent neighborhoods.

Financing

No cost consideration to the City.

Recommendation

Staff recommends City Council approval the subject item. Please contact me if you have any questions 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 Zavitskovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

EXHIBIT A – Part 1

CRITERIA FOR EVALUATING PROPOSED TIF DISTRICTS

Criteria

Rating Factor

A. Financial Benefits

1. Total new taxes generated by the District from all revenue sources exceed amount of taxes foregone - Direct monetary benefits to all taxing jurisdictions exceeds public funds invested during term of TIF District; Cash benefits to the City exceeds City expenditures	50 points max. (full points if within the term of the TIF; 10 fewer points for each 3 years without City payback)
2. Other taxing units participation	15 points max. (5 points for Dallas County and DISD or RISD and 5 points for either DCCCD or Dallas County Hospital District)
3. Comprehensive Review of Project Pro Forma - including rental rates, land costs, site analysis, construction costs, other sources of funds and grants, operating expenses and rate of return for the developer	20 points max.
4. A minimum of \$100 million in new investment is planned within 5 years of adoption of TIF District	15 points max.
Total Financial Points	100 points max.

B. Policy Benefits

1. Provides mixed income housing in accordance with City policies and guidelines	10 points max. (5 points for each 10% affordable units). <i>A minimum of 10% affordable housing is required for each TIF District</i>
2. Plan provides Urban Design Guidelines/Conformance to Urban Design Peer Review Panel recommendations and/or historic preservation guidelines, if applicable	10 points max.
3. Provides preferential hiring for neighborhood residents for new jobs created	5 points max.
4. Enhances public investments over \$10 million made within last 5 years or expected within the next 5 years (i.e. DART Light Rail System, Trinity River, bond improvements)	20 points max.
5. Enhances core assets of City	25 points max.
6. Provides direct benefits to distressed areas	15 points max.
7. Provides funding for educational/training programs to benefit district and adjacent neighborhoods	5 points max.
8. Adds park or green space or to City/County Trail system and provides for ongoing maintenance of these amenities	5 points max.
9. Complies with M/WBE and Fair Share Guidelines for business inclusion.	5 points max.
Total Policy Points	100 points max.

C. Overall Benefits

Staff will not move forward on a proposed TIF District unless both the financial and policy benefit categories qualify for a minimum of 70 points each (140 points total)

EXHIBIT A – Part 2

CRITERIA FOR EVALUATING TIF TERM EXTENSION REQUESTS

The District proposed for term extension should satisfy the following:

- 1. The District proposed for term extension is in compliance with the existing TIF Policy and within the Financial Management Performance Criteria (FMPC) financial policy for TIF Districts.**
- 2. Changing market conditions (not present when the zone was originally established) within the District exist:**
 - Allowing pending redevelopment to occur immediately; or
 - Supporting the expansion of a major employer; or
 - Supporting significant public investment and publically funded initiatives
- 3. Extension of the District's term financial benefits:**
 - Attract substantial redevelopment projects, with a private investment of \$100 million or more over the first 5 years of the extended term;
 - Generate satisfactory TIF increment to meet specific infrastructure and development needs;
 - Reduce the City's TIF contribution to allow greater general fund cash flow and meet District 'pay back' goals (time after TIF closes for new revenue generated within the District to reimburse the General Fund for total City TIF contributions); and
 - Generate new investment from other taxing entities
- 4. The District has any of the following pre-conditions:**
 - Low housing values;
 - Low income population;
 - High vacancy rates for commercial buildings;
 - An abundance of undeveloped or underdeveloped land; or
 - Substandard infrastructure
- 5. Term extension limit**
 - Maximum one 10-year extension
 - i. Necessary infrastructure will be funded within the 10 year time frame; and
 - ii. Sufficient time to generate increment for project TIF reimbursement

Memorandum



DATE May 29, 2015

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

SUBJECT **Addition to Kaufman County MUD #5**

On Wednesday, June 17, 2015, the City Council will consider consenting to an addition of approximately 257 acres to the Kaufman County Municipal Utility District (MUD) No. 5 located within the City of Dallas' extraterritorial jurisdiction (ETJ) east of Lake Ray Hubbard.

A MUD is a limited purpose governmental district used as a vehicle for the provision of municipal utility services. The Texas Commission on Environmental Quality is responsible for regulating MUDs pursuant to the Texas Water Code. The Texas Water Code requires written consent of a city to allow the creation of MUDs within a city's ETJ. Development in MUDs must comply with subdivision regulations in Article VIII, "Plat Regulations" of the Dallas Development Code. Zoning regulations do not extend into the ETJ.

In 2002, City Council consented to the creation of four MUDs located east and south of Lake Ray Hubbard within the City of Dallas' ETJ in Rockwall and Kaufman Counties. In 2004, an amendment to MUD No. 3 was approved by City Council.

In April 2015, J. Prabha Cinclair with Miklos Law, PLLC representing the Patricia Louise Clements Trust submitted a request to add approximately 257 acres to Kaufman County MUD No. 5. The property is under contract to Travis Ranch Addition. The proposed development is a continuation of single family consistent with the surrounding Travis Ranch development.

Travis Ranch Addition will comply with applicable subdivision regulations of the City of Dallas for the development located within Dallas' ETJ. Travis Ranch is not requesting the City of Dallas to pay for or provide any utility services to the property.

Providing consent for the addition to the MUD will not include any financial obligation by Dallas and since the property remains in the Dallas ETJ, preserves an opportunity for future corporate expansion.

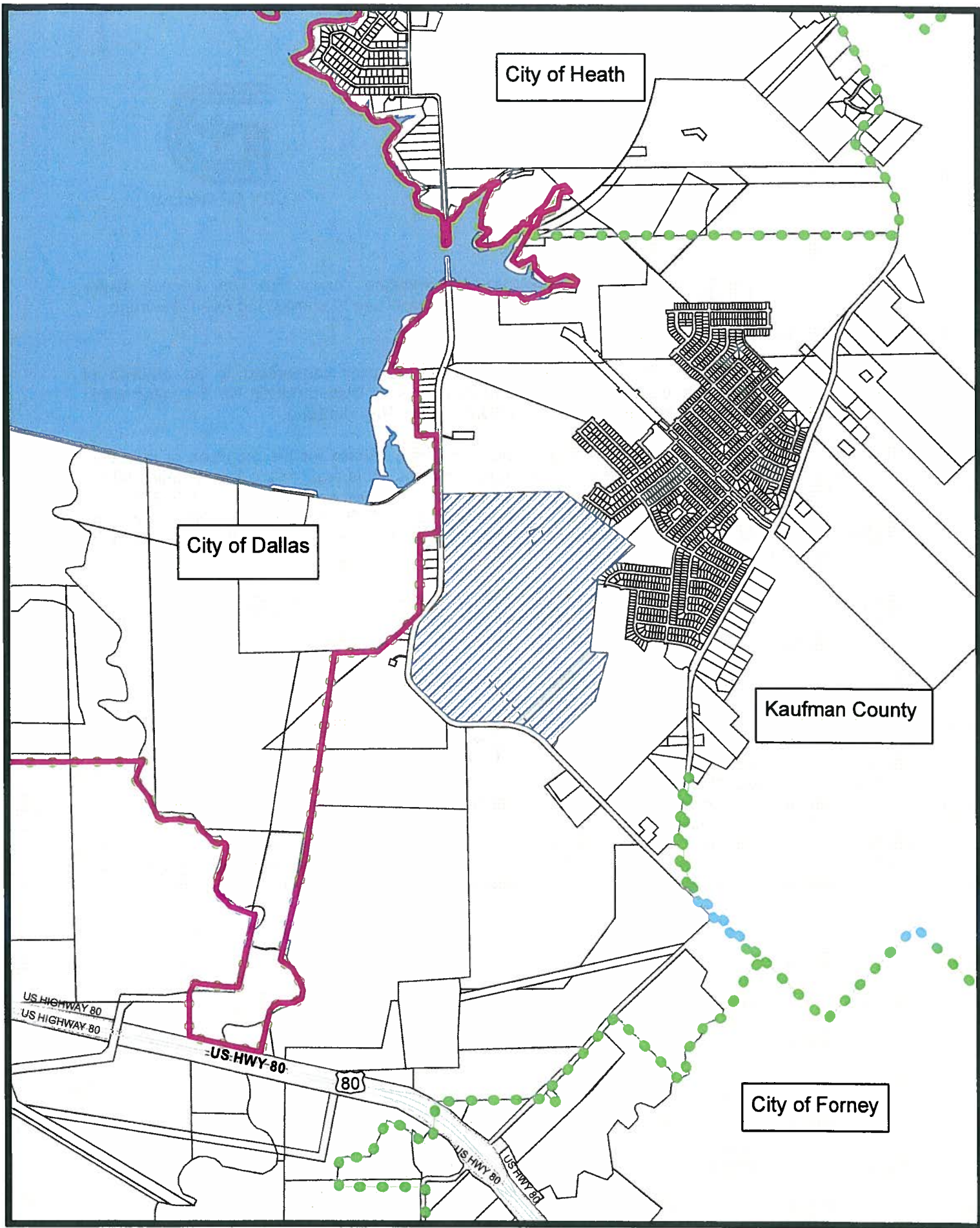
Please Contact David Cossum at 670-4127 should you have any questions or need additional information.

Ryan S. Evans
First Assistant City Manager

cc: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Judge Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager
Joey Zapata, Assistant City Manager
Rick Gaiceran, Director, Public Works
Jo M. Puckett, P.E., Director Dallas Water Utilities
Karl Zavitkovsky, Director Office of Economic Development

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Sana Syed, Public Information Officer
David Cossum, Director Sustainable Development & Construction
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Dallas – Together, we do it better.



↑ 1:25,000

**Proposed Addition to
Kaufman County MUD No. 5**

City of Dallas ———