

Memorandum



CITY OF DALLAS

DATE February 24, 2017

TO Honorable Members of the Quality of Life & Environment Committee: Sandy Greyson (Chair),
Tiffinni A. Young (Vice Chair), Rickey D. Callahan, Mark Clayton, Philip T. Kingston, B. Adam McGough

SUBJECT **Pacific Plaza: Proposed Development and Operating Endowment Agreements**

On Monday, February 27, 2017, you will be briefed on the proposed Development and Operating Endowment Agreements for Pacific Plaza Park. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

A handwritten signature in black ink, appearing to read 'Willis Winters'.

Willis C. Winters, FAIA, Director
Park and Recreation Department

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Mark McDaniel, Acting First Assistant City Manager
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Directors and Assistant Directors



Dallas Park & Recreation

PACIFIC PLAZA: PROPOSED DEVELOPMENT AND OPERATING ENDOWMENT AGREEMENTS



**Quality of Life Committee
February 27, 2017**



Purpose

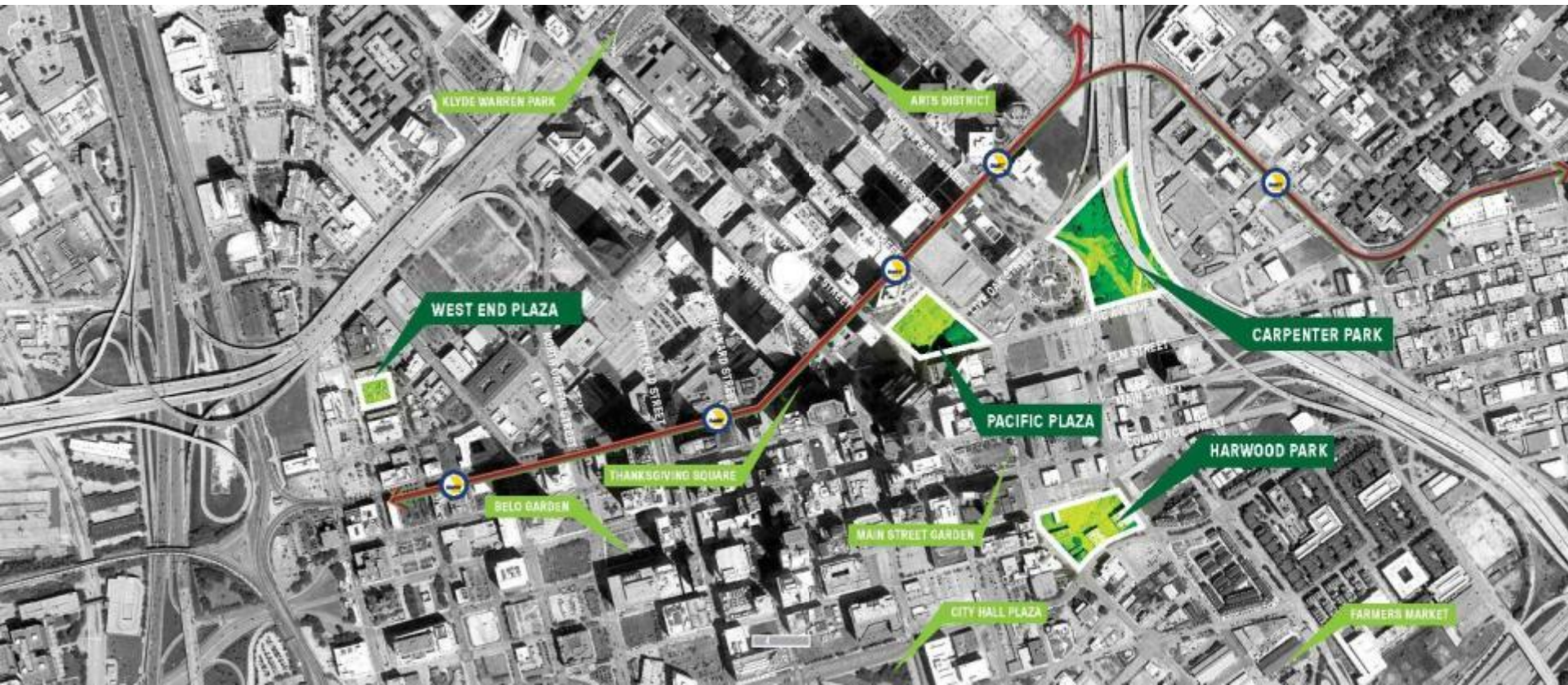
- Present final deal points for Pacific Plaza agreements with Parks for Downtown Dallas (PfDD):
 - Development Agreement
 - Operating Endowment Agreement
- Development and Operating Endowment Agreements
 - Briefed to Park and Recreation Board on February 16, 2017
 - Unanimously approved by Park and Recreation Board on February 23, 2017

Pacific Plaza Background

- Development Agreement:
 - PfDD has committed to spending up to \$15M to develop Pacific Plaza
- Operating Endowment Agreement:
 - PfDD has committed to providing \$1M for a permanent Operating Endowment Fund for the maintenance and operation of Pacific Plaza

Pacific Plaza Background

- Pacific Plaza identified as priority downtown park site in 2004 Downtown Parks Master Plan and 2013 Master Plan Update



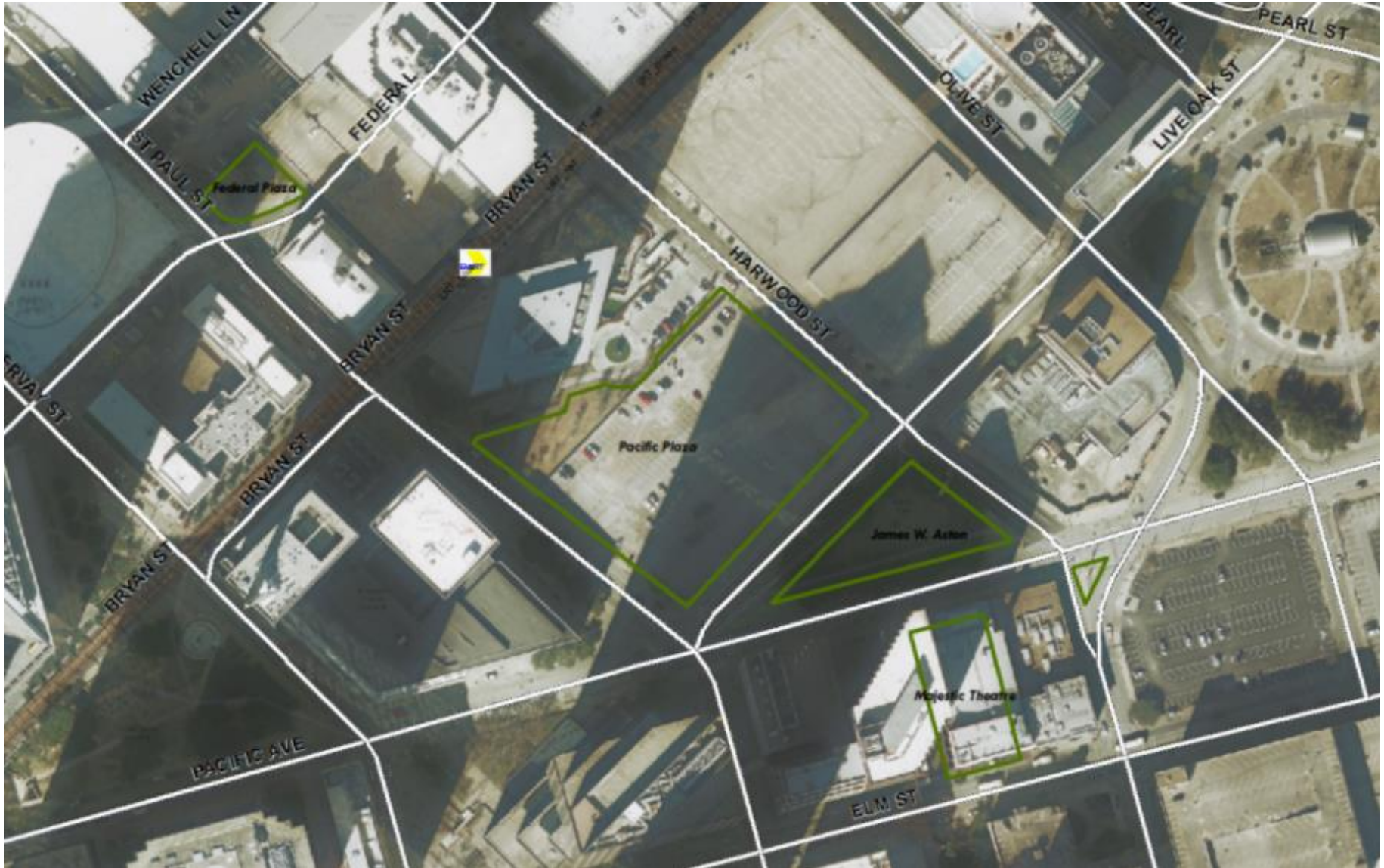
Pacific Plaza Background

- 3.2 acre site
- Park and Recreation Department owns entire site, including James Aston Park
 - Land purchased for \$9.1M in partnership with Trust for Public Land between 2005 and 2008
 - Site would complement existing Aston Park
- PfDD funded schematic design and Live Oak Street closure traffic study
 - \$476,000 total
 - Schematic design completed in October 2016
 - Three public input meetings held as part of schematic design process
- Park and Recreation Board review of project development
 - May 22, 2014 and August 7, 2014
 - Approved schematic design agreement June 2, 2016
 - On December 15, 2016, Board unanimously directed Park and Recreation Department staff to enter into final negotiations with PfDD to create Development and Operating Endowment Agreements for Pacific Plaza

Pacific Plaza Background



Pacific Plaza Background



Pacific Plaza Schematic Plan



Pacific Plaza Schematic Plan

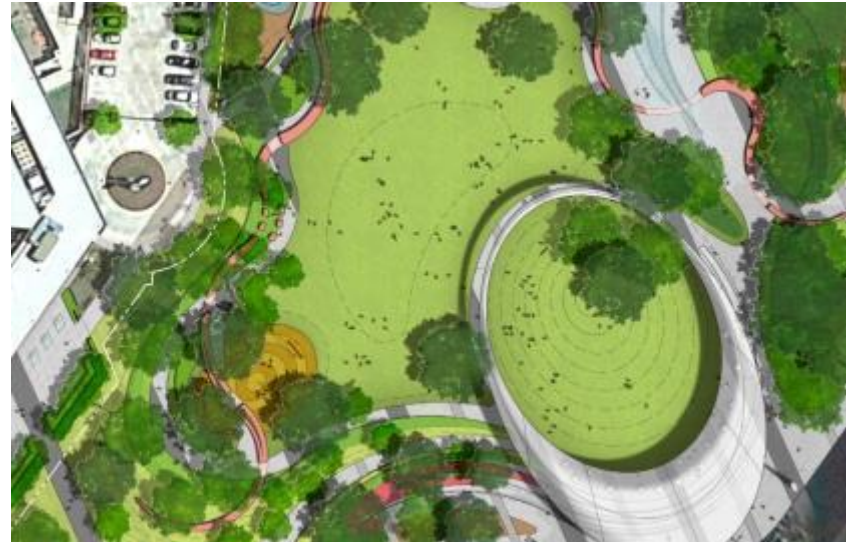


Pacific Plaza Schematic Plan



Pacific Plaza Background

- PfDD created Pacific Plaza LLC (Pacific LLC) to assist in design and construction of Pacific Plaza
- Pacific LLC entered into Schematic Design Agreement with City on July 1, 2016
 - Schematic design completed in October 2016 by SWA Group
 - Funded Live Oak Street traffic and closure study



Deal Points: Development Agreement



Deal Points: Development Agreement

- Pacific LLC will fund improvements up to \$15M
- Pacific LLC will manage the design and construction of improvements at Pacific Plaza
 - Subject to the City Representative's review and approval
 - Park and Recreation Department Director (or Director's designee) to serve as City's representative for this agreement
- Development Agreement commences on execution and terminates one year after completion of construction and issuance of final acceptance letter from City

Deal Points: Development Agreement

- PfDD reserves right to name Park if name is other than Pacific Plaza, subject to Park and Recreation Board approval
- If another donor provides a minimum of \$10M the Park, unless a different amount is agreed between the parties, the name will be subject to Developer and Park and Recreation Board approvals
- Components of the Park can be named subject to PfDD and Park and Recreation Board approvals (Refer to Appendix for naming opportunities)
- Naming rights proceeds, if raised, will be used only for Downtown Parks - first for construction of the four new priority parks and then for permanent endowments benefiting new or existing parks

Deal Points: Development Agreement

- Required environmental clean-up of site, if needed, shall be the responsibility of the City, up to \$2M
 - Typically the City is responsible for environmental remediation of their properties
- Phase 1 Environmental Assessment of the site has been completed



Deal Points: Development Agreement

- Any contracts entered into by Pacific LLC under agreements for design or construction of the Park shall:
 - Contain insurance provisions with limits acceptable to the City
 - Release, indemnify and hold the City harmless
 - Obligate the contractor or firm to comply with all applicable state, federal, and local laws
 - Comply with the City's Business Inclusion and Development Plan (BID Plan) to facilitate M/WBE participation



Deal Points: Development Agreement

- City representative will review and approve design development and construction documents
- City representative has right to inspect construction
- After completion of construction and acceptance by the City representative, Pacific Plaza will be turned over to the City for maintenance and operation



Deal Points: Operating Endowment Agreement



Deal Points: Operating Endowment Agreement

- PfDD will deposit \$1M in separate account upon execution of the Agreement
- Funds will be maintained by PfDD Foundation
- 4.5% of the assets in the fund will be annually available to City once Park has been declared complete by Pacific LLC and accepted by City
- Funds may be used to offset expenses related to the day-to-day operations and maintenance of Pacific Plaza



Estimated Project Schedule

- Development and Operating Endowment Agreements executed April 2017
- Construction documents finalized October 2017
- City delivers building site to Pacific LLC December 2017
- Anticipated Construction period* 12-18 months

* Pacific LLC has committed to complete construction within 24 months after City delivers building site



Next Steps

- City Council consideration of Development and Endowment Agreement on March 22, 2017



Dallas Park & Recreation

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AND OPERATING ENDOWMENT AGREEMENTS**



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Appendix

- Naming Opportunities

Naming Opportunities



- ① PARK NAMING \$10,000,000
 - ② PARK TERRACE \$5,000,000
 - ③ PARK MEADOW \$5,000,000
 - ④ PAVILION \$2,500,000 •
 - ⑤ PROMENADE \$2,000,000
 - ⑥ PARK FOUNTAIN \$2,000,000
 - ⑦ THE PARK THREAD \$1,000,000
 - ⑧ ASTON GROVE \$1,000,000
 - ⑨ PLAY AREA \$1,000,000
- add alternate - based on donor support

PACIFIC PLAZA DONOR OPPORTUNITIES