

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, MARCH 18, 2019

CITY HALL

COUNCIL BRIEFING ROOM, 6ES

1500 MARILLA STREET

DALLAS, TEXAS 75201

9:00 A.M.–10:30 A.M.

Chair, Councilmember Tennell Atkins

Vice Chair, Councilmember Rickey D. Callahan

Councilmember Lee M. Kleinman

Councilmember Scott Griggs

Councilmember Casey Thomas, II

Councilmember B. Adam McGough

Councilmember Mark Clayton

Councilmember Kevin Felder

Councilmember Omar Narvaez

Call to Order

1. Approval of February 4, 2019 and February 19, 2019 Special Called Meeting Minutes

BRIEFINGS

2. D/FW International Airport – City of Irving Aviall Chapter 380 Economic Development Agreement
John Terrell, Vice President
Commercial Development DFW Int. Airport

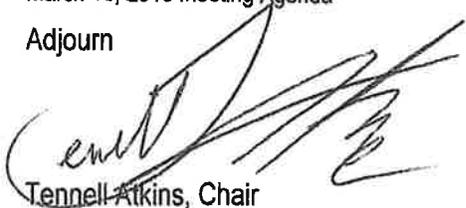
UPCOMING AGENDA ITEMS

March 27, 2019

- A. Authorize the first amendment to the development agreement with Supreme Bright Dallas II, LLC, Supreme Bright Dallas Parking, LLC and 1712 Commerce TIF, Inc., (collectively, the “Developer”) for the 1712 Commerce Street Redevelopment Project in the Downtown Connection TIF District, authorized by Resolution No. 15-0987, previously approved on May 27, 2015 to: (1) extend the certificate of occupancy and project completion deadlines for the project from January 1, 2018, to July 1, 2019; and (2) as consideration for the requested amendment, increase the minimum private investment for the project from \$42,000,000.00 to \$43,500,000.00 - Financing: No cost consideration to the City
- B. Authorize a two-year service contract to administer a Workforce Readiness, Placement and Retention Program to provide career pathways training with Oak Cliff Empowered, Inc., in an amount of \$374,493.00 the most advantageous proposer of seven - Not to exceed \$374,493.00 – Financing: Public/Private Partnership Funds
- C. Authorize approval of the City Council of the City of Dallas, to act as the applicable elected representative, as defined by Section 147(f)(2)(E) of the Internal Revenue Code, with respect to approve the issuance of multifamily housing revenue bonds issued by the City of Dallas Housing Finance Corporation in one or more series of tax-exempt bonds in an amount not to exceed \$15,000,000 to Flora Street Lofts, Ltd. to finance the acquisition and new construction of Flora Lofts, a 52-unit multifamily project at 2121 Flora Street following a public hearing held on March 11, 2019, after reasonable public notice, in order to comply with the Tax Equity and Fiscal Responsibility Act’s one year validation period requirement of Section 147(b)(4)(B)(iv) of the Internal Revenue Code - Financing: No cost consideration to the City

A quorum of the City Council may attend this Council Committee meeting

Adjourn



Tennell Atkins, Chair

Economic Development & Housing Committee

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex. Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Economic Development & Housing Committee

Meeting Record February 4, 2019

The Economic Development & Housing Committee meetings are recorded. Agenda materials are available online at www.dallascityhall.com. Agenda materials and recordings may be reviewed/copied by contacting the Committee Coordinator at 214-670-1686.

Meeting Date: February 4, 2019

Meeting Start time: 9:04 A.M.

Committee Members Present:	Staff Present:
Councilmember Tennell Atkins (Chair)	David Noguera, Director of Housing and Neighborhood Revitalization
Councilmember Rickey D. Callahan (Vice-Chair)	Avis Chaisson, Assistant Director of Housing and Neighborhood Revitalization
Councilmember Casey Thomas, II	Maureen Milligan, Interim Assistant Director of Housing and Neighborhood Revitalization
Councilmember Scott Griggs	Kevin Spath, Assistant Director, Office of Economic Development
Councilmember Mark Clayton	Chan Williams, Asst. Director, Office of Budget/Administration
Councilmember Lee M. Kleinman	Kris Sweckard, Director, Sustainable Development & Construction
Councilmember B. Adam McGough	Neva Dean, Assistant Director, Sustainable Development & Construction
Councilmember Kevin Felder	
Councilmember Omar Narvaez	
<u>Other Council Members Present:</u>	
<u>Committee Members Absent:</u>	

AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

1. Approval of January 7, 2019 Economic Development & Housing Committee Minutes

Presenter(s): CM Tennell Atkins

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

Motion made by: CM Scott Griggs	Motion second by: CM Mark Clayton
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

2. Community Development Block Grant: Extensions and Reprogramming of Funds

Presenter(s): Chan Williams, Assistant Director of Office of Budget/Grant Administration
David Noguera, Director of Housing & Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s)

Motion made by: CM Lee Kleinman	Motion seconded by: CM Casey Thomas, II
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. Amendments to Chapter 20A to Outline the Procedures for Monitoring Developers' Compliance with Mixed Income Housing Development Bonuses

Presenter(s): David Noguera, Director of Housing & Neighborhood Revitalization
Maureen Milligan, Assistant Director (I) of Housing & Neighborhood Revitalization
David Drury, Land Bank Manager of Housing & Neighborhood Revitalization

Information Only:__

Action Taken/Committee Recommendation(s) Motion was made to move forward to full Council

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. Consideration and Approval of the Sale of Land Bank Lots to Five Qualified Participating Developers (Exhibit A-E)

Presenter(s): David Noguera, Director of Housing and Neighborhood Revitalization
Maureen Milligan, Assistant Director (I) of Housing & Neighborhood Revitalization
David Drury, Land Bank Manager of Housing & Neighborhood Revitalization

Information Only:__

Action Taken/Committee Recommendation (s) Motion was made to move forward to full Council

Motion made by: Scott Griggs	Motion seconded by: Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Information Only:__

5. Amendments to the Dallas Development Code Creating Regulations for Mixed Income Housing Development Bonuses

Presenter(s): Kris Sweckard, Director of Sustainable Development & Construction
Neva Dean, Assistant Director of Sustainable Development & Construction
Maureen Milligan, Assistant Director (I) of Housing and Neighborhood Revitalization

Information Only:__

Action Taken/Committee Recommendation (s) Motion was made to move forward to full Council

Motion made by: CM Mark Clayton	Motion seconded by: Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____

Item failed unanimously: _____	Item failed on a divided vote: _____
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Follow-up (if necessary):

Information Only: __

UPCOMING AGENDA ITEMS

February 9, 2019

- A. Authorize reappointment of Gilbert Gerst, Brentt Shropshire, Zenetta Drew and Edward Okpa to the Dallas Development Fund Board – Financing: No cost consideration to the City
- B. Authorize **(1)** the rescission of a housing development loan agreement and a conditional grant agreement for development of 10 single family homes for the Ferguson Road Townhomes Project with KAH Holdings, Inc. (KAH) authorized by Resolution No. 16-0844, previously approved on May 25, 2016, as amended; and **(2)** a release of lien and termination of deed restrictions upon repayment of funds paid to KAH to date in the amount paid \$67,904.75 to the City - Revenue: \$67,904.75

February 27, 2019

- C. TIF District Annual Reports

Action Taken/Committee Recommendation (s) Motion was made to move forward to full Council

Motion made by: CM Lee Kleinman	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 10: 51 A.M.

Approved By _____

Special Call Economic Development & Housing Committee

Meeting Record February 19, 2019

The Economic Development & Housing Committee meetings are recorded. Agenda materials are available online at www.dallascityhall.com. Agenda materials and recordings may be reviewed/copied by contacting the Committee Coordinator at 214-670-1686.

Meeting Date: February 19, 2019

Meeting Start time: 9:08 A.M.

Committee Members Present: Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Casey Thomas, II Councilmember Scott Griggs Councilmember B. Adam McGough Councilmember Kevin Felder Councilmember Omar Narvaez <u>Other Council Members Present:</u> <u>Committee Members Absent:</u> Councilmember Lee M. Kleinman Councilmember Mark Clayton	Staff Present: David Noguera, Director of Housing and Neighborhood Revitalization Avis Chaisson, Director of Housing and Neighborhood Revitalization Maureen Milligan, Assistant Director (I) of Housing and Neighborhood Revitalization
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

- Briefing on Proposed Development Loan Agreements and Partnership with City of Dallas Housing Finance Corporation to Purchase, Lease, Own, or otherwise Acquire an Interest in Three Mixed Income Multifamily Residential Development and Recommendations of a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits Allocated by the Texas Department of Housing and Community Affairs to Two of the Developments:**
 - 2400 Bryan Street**
 - Estates at Shiloh (2649 Centerville Road)**
 - Palladium Redbird (a portion of the site of the former Red Bird Mall/Southwest Center Mall located south of the intersection of W. Camp Wisdom Road and S. Westmoreland Road)**

Presenter(s): David Noguera, Director of Housing & Neighborhood Revitalization
Avis Chaisson, Assistant Director of Housing & Neighborhood Revitalization
Maureen Milligan, Assistant Director (I) of Housing & Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s) Motion made to move forward to full Council

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

2. **Briefing on Applications submitted under an Issuance of Request for Applications (RFA) seeking Resolutions of Support or No Objection as Required for 9% Competitive and 4% Non-Competitive Housing Tax Credits Allocated by the Texas Department of Housing and Community Affairs and Proposed Recommendations for Resolutions:**
- a. **East Side Lofts (4724 and 4806 East Side Avenue)**
 - b. **HighPoint at Wynnewood (1805 S. Zang Boulevard)**
 - c. **Northgate Village Apartments (12303 N. Plano Road)**
 - d. **Pythian Manor Apartments (2719 East Illinois Avenue)**
 - e. **Signature at Signature Oaks (3303 Southern Oaks Boulevard)**
 - f. **Signature at Trinity River (220 Stoneport Drive)**

Presenter(s): David Noguera, Director of Housing & Neighborhood Revitalization
 Avis Chaisson, Assistant Director of Housing & Neighborhood Revitalization
 Maureen Milligan, Assistant Director (I) of Housing & Neighborhood Revitalization

Information Only: __

Action Taken/Committee Recommendation(s) Motion was made to move forward to full Council

Motion made by: CM Kevin Felder	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: _____ **10:08 A.M.** _____

Approved By _____

Memorandum



CITY OF DALLAS

DATE March 15, 2019

TO The Honorable Members of the Economic Development and Housing Committee:
Tennell Atkins, Rickey D. Callahan, Lee M. Kleinman, Scott Griggs, Casey Thomas, II,
B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT Upcoming March 27, 2019 Agenda Item: A resolution requesting the City of Dallas
consent to an extension of the D/FW International Airport, City of Irving and Aviall
Services, Inc. Chapter 380 Economic Development Agreement

On Monday, March 18 2019, the Economic Development and Housing Committee will be briefed on the D/FW International Airport, City of Irving and Aviall Services, Inc. Chapter 380 Economic Development Agreement extension request. This item will be considered by the Dallas City Council at the March 27, 2019 Council Agenda meeting.

The briefing materials are attached for your review.

Please contact Brett Wilkinson, Managing Director, Office of Strategic Partnerships and Government Affairs, at brett.wilkinson@dallascityhall.com or (214) 670 - 5795.


for Kimberly Bizer Tolbert

Chief of Staff to the City Manager

c: Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors

D/FW International Airport – City of Irving Aviall Chapter 380 Economic Development Agreement

March 18, 2019



Background

- Aviall, headquartered in Irving, TX, is the world's largest diversified aircraft parts distributor delivering airplane parts and repair services. The company manages inventory for the global aerospace and defense industry and holds significant inventory at its facility in Irving.
- Aviall was purchased by Boeing in 2006.
- American Airlines is one of Aviall's largest customers.
- Aviall employs over 1,000 employees in the region. When combined with Boeing's workforce the total is over 1,400 in North Texas. Since 2011, Aviall has added roughly 600 jobs.
- Aviall currently operates over 605,000 square feet of warehouse/office space.



DFW

Background, cont.

- In 1998, the City of Irving, the Dallas/Fort Worth International Airport Board, and the Cities of Dallas and Fort Worth entered into an Interlocal Agreement for sharing of revenue generated from property located in the City of Irving and within the boundaries of the Dallas/Fort Worth International Airport.
- In 2001, the City of Irving, with consent of the other parties to the Interlocal Agreement, executed an economic development grant agreement pursuant of Chapter 380 of the Texas Local Government Code, between the City of Irving and Aviall Services, Inc.
- In 2006, the 2001 agreement was renewed.
- In 2009, the Interlocal Agreement between the Dallas/Fort Worth International Airport Board was amended to clarify the treatment of economic development grants authorized by Texas Local Government Code, Chapter 380.

Background, cont.

- In 2014, the 2001 and 2006 agreements were further amended by resolution to extend the term and amend the agreement to reflect voter approved amendments to the Texas Constitution, which amended the Chapter 380 agreement to add new freeport exemptions.
- In 2019, the City of Irving and the Dallas/Fort Worth International Airport Board approved resolutions extending the Chapter 380 agreement as a retainment incentive until Dec. 31, 2031.
- This extension of the Chapter 380 agreement requires consent of the governing bodies of the Cities of Dallas and Fort Worth.

Freeport Exemption and Chapter 380 Agreement

Freeport Exemption

Freeport Exemption allows for a property tax exemption for freeport goods that are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them into Texas; and are in Texas for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes. In 2013, the Texas Legislature passed a bill to extend the Freeport Exemption of only aircraft parts to 730 days, which was approved by voters in Prop. 3 of that same year.

Chapter 380 Agreement

Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.

Chapter 380 Economic Incentive Agreement for Aviall

- The City of Irving does not offer Freeport Exemption, however, many North Texas cities do.
- The Chapter 380 agreement is the vehicle used by the City of Irving to offer “Freeport equivalent” tax benefit to Aviall Services, Inc.
- Aviall is pleased with their current location and extension of the current agreement will keep the Irving location competitive. However, Aviall has begun to evaluate other locations in North Texas, as well as locations outside of Texas, to move operations to a locale that already offers the inventory exemption.
- As an incentive to remain in its existing facilities, the City of Irving is offering to Aviall to amend and restate the existing agreement to extend the same incentives for an additional ten-year term to coincide with Aviall’s renewed lease.
 - Grant of 100% of the business personal property taxes

Chapter 380 Economic Incentive Agreement for Aviall, cont.

- An estimated \$309,137 will be distributed to Dallas and Fort Worth (2018 tax assessments) this year.
- An estimated \$5.4 million will have been paid to Dallas and Fort Worth by 2031.
- Retain 951 employees at locations.
- Create at least 100 new full-time jobs by Dec. 31, 2023.
- Continuously maintain 1,051 jobs until Dec. 31, 2031.

Timeline

February 14, 2019 – City of Irving Approved Agreement

March 5, 2019 – DFW Airport Board Concessions/Commercial Development Committee Briefed

March 7, 2019 – DFW Airport Board Approved Agreement

March 18, 2019 – Dallas Economic Development/Housing Committee Briefing

March 26, 2019 – Fort Worth City Council Consideration

March 27, 2019 – Dallas City Council Consideration

Payment Summary (2002 to 2011)

Tax Year	A Total Taxable BPP Value	B Freeport/ Base	C Net Total Taxable BPP Value (A-B)	D Total Taxes Collected (A x City Tax Rate)	E Rebate To Company (C x City Tax Rate)	F Retained by Member Cities (D - E) x 2/3 x M&O	G Retained By City* (D - E - F)
2002	\$202,604,910	(\$183,656,415)	\$18,948,495	\$1,008,972	\$914,609	\$51,041	\$43,322
2003	\$266,750,570	(\$229,216,675)	\$37,533,895	\$1,421,247	\$1,221,266	\$116,899	\$83,082
2004	\$238,089,450	(\$203,145,447)	\$34,944,003	\$1,268,541	\$1,082,359	\$112,910	\$73,272
2005	\$254,788,410	(\$204,255,006)	\$50,533,404	\$1,375,857	\$1,102,977	\$164,915	\$107,965
2006	\$292,034,310	(\$250,504,259)	\$41,530,051	\$1,600,056	\$1,372,513	\$143,489	\$84,054
2007	\$433,859,750	(\$383,516,457)	\$50,343,293	\$2,345,446	\$2,073,290	\$166,233	\$105,923
2008	\$520,119,780	(\$449,035,714)	\$71,084,066	\$2,811,768	\$2,427,487	\$233,854	\$150,427
2009	\$587,821,060	(\$499,033,244)	\$88,787,816	\$3,177,761	\$2,697,774	\$274,529	\$205,458
2010	\$715,880,430	(\$626,756,912)	\$89,123,518	\$4,124,187	\$3,610,747	\$319,770	\$193,670
2011	\$788,421,810	(\$709,844,670)	\$78,577,140	\$4,719,493	\$4,249,130	\$311,498	\$158,865
				\$23,853,328	\$20,752,152	\$1,895,138	\$1,206,038

The Cities of Dallas and Fort Worth receive two-thirds of the increased revenue and apportion said revenues, 7/11ths to Dallas, 4/11ths to Fort Worth.

Payment Summary (2012 to 2021)

Tax Year	A Total Taxable BPP Value	B Freeport/ Base	C Net Total Taxable BPP Value (A-B)	D Total Taxes Collected (A x City Tax Rate)	E Rebate To Company (C x City Tax Rate)	F Retained by Member Cities (D - E) x 2/3 x M&O	G Retained By City* (D - E - F)
2012	\$974,716,900	(\$893,542,102)	\$81,174,798	\$5,834,655	\$5,348,743	\$325,221	\$160,691
2013	\$968,998,720	(\$906,065,413)	\$62,933,307	\$5,800,426	\$5,423,708	\$251,572	\$125,146
2014	\$878,412,130	(\$85,233,537)	\$793,178,593	\$5,218,646	\$4,712,274	\$256,723	\$249,649
2015	\$1,390,599,960	(\$88,216,711)	\$1,302,383,249	\$8,261,554	\$7,737,459	\$273,472	\$250,623
2016	\$1,330,637,830	(\$91,304,296)	\$1,239,333,534	\$7,905,319	\$7,362,881	\$282,495	\$259,943
2017	\$1,259,745,500	(\$94,499,946)	\$1,165,245,554	\$7,484,148	\$6,922,724	\$292,950	\$268,474
2018	\$1,245,146,990	(\$97,807,444)	\$1,147,339,546	\$7,397,418	\$6,816,344	\$309,137	\$271,937
2019	\$1,245,146,990	(\$101,230,705)	\$1,143,916,285	\$7,397,418	\$6,796,007	\$319,957	\$281,454
2020	\$1,245,146,990	(\$104,773,779)	\$1,140,373,211	\$7,397,418	\$6,774,957	\$331,155	\$291,306
2021	\$1,245,146,990	(\$108,440,862)	\$1,136,706,128	\$7,397,418	\$6,753,171	\$342,745	\$301,502
					\$64,648,268	\$2,985,427	\$2,460,725

Note: Tax Years 2019 -2021 Assumes no changes in Total Taxable BPP Value, City Tax Rate (including the M&O Rate), Base Value increase of 3.5 percent annually

The Cities of Dallas and Fort Worth receive two-thirds of the increased revenue and apportion said revenues, 7/11ths to Dallas, 4/11ths to Fort Worth.



Estimated Payment Summary (Tax Year 2022 to 2031)

Tax Year	A Total Taxable BPP Value	B Base Value	C Net Total Taxable BPP Value (A-B)	D Total Taxes Collected (A x City Tax Rate)	E Rebate To Company (C x City Tax Rate)	F Retained by Member Cities (D - E) x 2/3 x M&O)	G Retained By City (D - E - F)
2022	\$1,245,146,990	(\$112,236,292)	\$1,132,910,698	\$7,397,418	\$6,730,622	\$354,742	\$312,054
2023	\$1,245,146,990	(\$116,164,562)	\$1,128,982,428	\$7,397,418	\$6,707,285	\$367,157	\$322,976
2024	\$1,245,146,990	(\$120,230,322)	\$1,124,916,668	\$7,397,418	\$6,683,130	\$380,008	\$334,280
2025	\$1,245,146,990	(\$124,438,383)	\$1,120,708,607	\$7,397,418	\$6,658,130	\$393,308	\$345,980
2026	\$1,245,146,990	(\$128,793,726)	\$1,116,353,264	\$7,397,418	\$6,632,255	\$407,074	\$358,089
2027	\$1,245,146,990	(\$133,301,507)	\$1,111,845,483	\$7,397,418	\$6,605,474	\$421,322	\$370,622
2028	\$1,245,146,990	(\$137,967,059)	\$1,107,179,931	\$7,397,418	\$6,577,756	\$436,068	\$383,594
2029	\$1,245,146,990	(\$142,795,907)	\$1,102,351,083	\$7,397,418	\$6,549,068	\$451,330	\$397,020
2030	\$1,245,146,990	(\$147,793,763)	\$1,097,353,227	\$7,397,418	\$6,519,376	\$467,127	\$410,915
2031	\$1,245,146,990	(\$152,966,545)	\$1,092,180,445	\$7,397,418	\$6,488,644	\$483,476	\$425,298
					\$66,151,740	\$4,161,612	\$3,660,828

Note: Assumes no changes in Agreement Terms, Total Taxable BPP Value, City Tax Rate (including M&O Rate), Base Value increase of 3.5 percent annually

The Cities of Dallas and Fort Worth receive two-thirds of the increased revenue and apportion said revenues, 7/11ths to Dallas, 4/11ths to Fort Worth.



Memorandum



DATE March 15, 2019

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **1712 Commerce Street Redevelopment Project – Deadline Extension Request**

Summary

Authorize the first amendment to the development agreement with Supreme Bright Dallas II, LLC, Supreme Bright Dallas Parking, LLC and 1712 Commerce TIF, Inc., (collectively, the “Developer”) for the 1712 Commerce Street Redevelopment Project in the Downtown Connection TIF District, authorized by City Council on May 27, 2015, by Resolution No. 15-0987 to: (1) extend the certificate of occupancy and project completion deadlines for the project, from January 1, 2018, to July 1, 2019; and (2) as consideration for the requested amendment, increase the minimum private investment for the project from \$42,000,000 to \$43,500,000

Background

On May 27, 2015, City Council authorized a development agreement, between the City of Dallas (“City”) and Developer and committed a TIF subsidy in the amount of \$10,500,000 for the 1712 Commerce Street Redevelopment Project. The project included converting the 1712 Commerce building into a dual-branded hotel with 244 rooms (Residence Inn 121 rooms; AC Hotel by Marriott 123 rooms). The hotel opened October 12, 2017. Construction of a parking garage to support the 1712 Commerce building and 1700 Commerce building (also owned by the Developer) was a material component of the TIF project.

On September 27, 2017, an unidentified individual set fire to the parking garage under construction. The fire lasted over an hour causing extensive damage to the garage. Specialized testing was required to determine the extent of damage to the concrete structure that had been completed and how much of the structure would have to be demolished and reconstructed. Testing was completed and a report outlining the remediation process was issued January 26, 2018. The report required demolition and reconstruction of two floors of the garage and additional repairs to be completed after the steel and concrete construction of all floors is complete. After receiving the report, the Developer re-negotiated the principal construction contracts for the project and re-construction commenced on April 1, 2018. Demolition of damaged areas was

completed on September 30, 2018. The Developer anticipates completing construction by July of 2019.

As a result of the fire, completion of the garage was delayed significantly, and the Developer has requested an extension of the project's completion deadlines from January 1, 2018 to July 1, 2019. As consideration for the extension request, the Developer has agreed to increase the minimum private investment for the project from \$42,000,000 to \$43,500,000.

Alternatives

City Council may choose to deny the extension. If the request is denied, the project would be in default, and TIF funding for the project may be lost.

Financing

No Cost Consideration to the City. The TIF subsidy of \$10,500,000 was approved by City Council in 2015.

Coordination

Staff coordinated with the Developer, Downtown Connection TIF District Board of Directors and City Attorney's Office.

Recommendation

Staff recommends the Economic Development and Housing Committee recommend approval of an extension of the certificate of occupancy and project completion deadlines for the 1712 Commerce Street Redevelopment Project, from January 1, 2018, to July 1, 2019 to full council.

Should you have any questions, please contact me at (214) 670-1696.

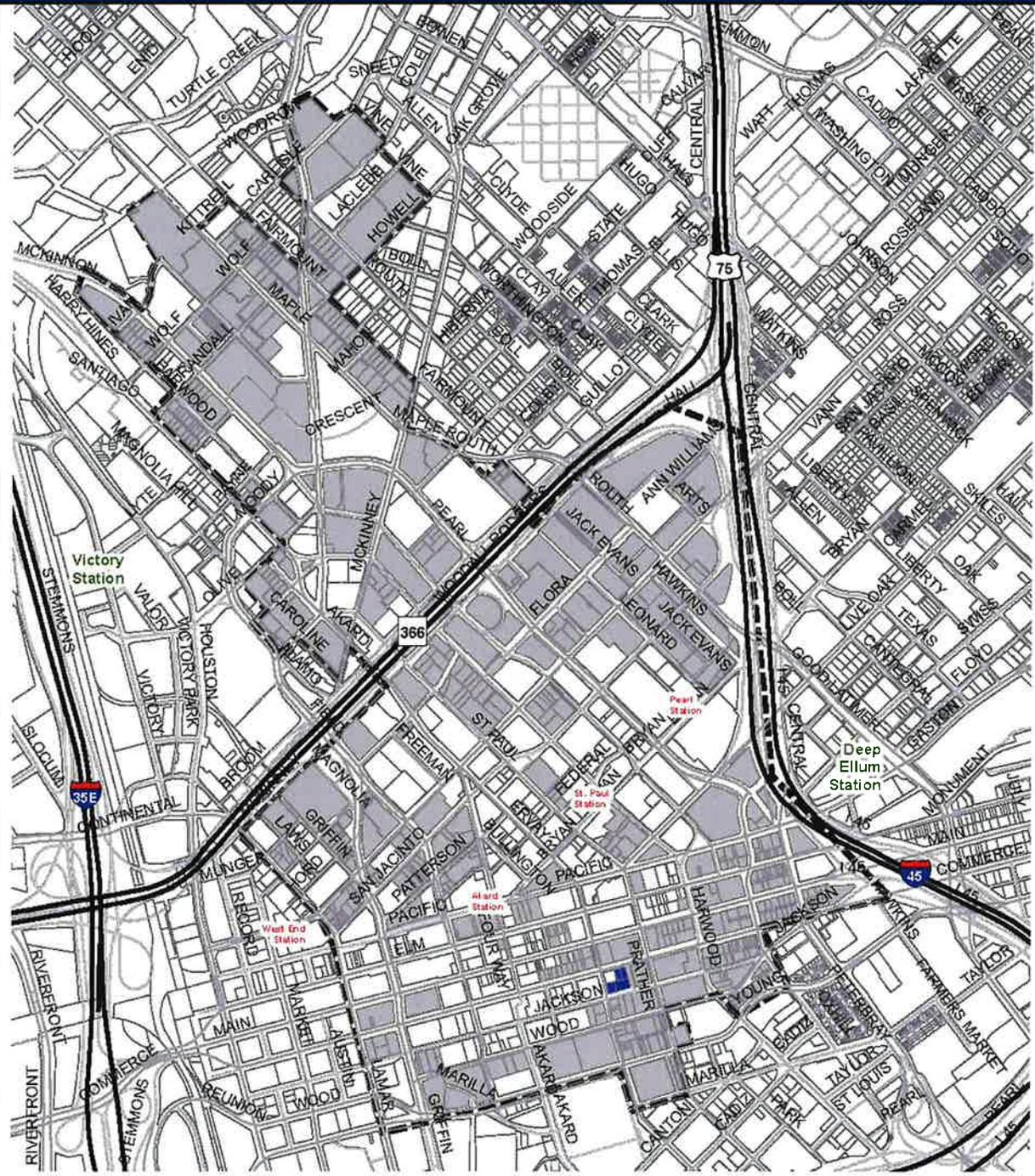


Courtney Pogue, Director
Office of Economic Development

c: Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Billerae Johnson, City Secretary
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M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

1712 Commerce Redevelopment Project



City of Dallas
 Office of Economic Development



Area Redevelopment Division
<http://www.Dallas-EcoDev.org>

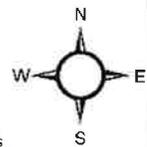
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Legend

- 1712 Commerce Hotel Project
- Downtown Connection TIF Boundary
- Downtown Connection TIF Parcels
- Properties Outside of TIF

Exhibit A

- Rail Station
- DART Red Line
- DART Blue Line
- DART Green Line
- DART Orange Line
- Trinity Railway Express



Memorandum



DATE March 15, 2019

TO The Honorable Members of the Economic Development & Housing Committee: Tennell Atkins, (Chair), Rickey D. Callahan, (Vice-Chair), Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Authorize a two-year service contract to administer Workforce Readiness, Placement, and Retention Programs**

On March 18, 2019 the Economic Development and Housing Committee will consider the authorization of a two-year service contract to administer a Workforce Readiness, Placement, and Retention Program to provide career pathways training with Oak Cliff Empowered, Inc. in the amount of \$374,493.

Summary

This item authorizes the approval of a two-year service contract with Oak Cliff Empowered, Inc. to administer a Workforce Readiness, Placement, and Retention Program to provide career pathways training for young adults in the health care field. Total contract amount is \$374,493 and Oak Cliff Empowered, Inc.'s total program amount is \$1,122,144.

Background

The City of Dallas authorized \$1.5 million for four contracts for the Workforce Readiness, Employment, and Retention Pilot Program by resolution No. 17-0766 on May 10, 2017. The intent of the Workforce Program is to fund an integrated continuum of neighborhood organizations, educational institutions, and employers who can train and prepare low income, targeted groups (formerly incarcerated, out-of-school youth, and single parents) for placement in permanent career opportunities in growing industries within the City of Dallas.

On May 10, 2017 four awards were made under the 2016 RFCSP for a total of \$1.5 million; however, only two organizations, City Square and Serve West Dallas remain under contract. Habitat for Humanity never executed a contract, and Transformance Inc. defaulted under the terms of the agreement; the funds associated with these contracts have been reprogrammed to support the proposed workforce training program cohort.

From the initial cohort, Serve West Dallas and its collaborating partners, El Centro, Mountain view, Anthem Strong Families, and Baylor, Scott, and White administers a Healthcare Career training program and support services to out-of-school youth. To date, fifty-one (51) students have completed the initial job readiness training, twenty-eight (with a goal of 45) are now employed as Patient Care Technicians with a placement rate of 40%. Twelve students have been employed for six months with ten students passing their state certification exam. Twenty-five (25) are currently enrolled in training at El Centro and Mountain View and will be placed in permanent employment with Baylor within the next 1-4 months.

City Square provides a Construction Career Pathway program to formerly incarcerated Dallas residents. Program participants complete an 8-week pre-apprenticeship construction training in trades such as welding, electrical, and plumbing at Northlake Community College. To date, CitySquare has trained 113 individuals, 60 have obtained pre-apprenticeship certifications and are permanently employed by partnering construction companies with a placement rate of 67%. Thirty (30) individuals have maintained employment for a minimum of six months. City square will train and place an additional 30 individuals within the next 4 months.

In September 2018 the City of Dallas issued a Request for Competitively Sealed Proposals (RFCSP) seeking proposals for two additional cohort-based, certificate-earning, career-pathways job training programs, with the intent to provide up to \$750,000 of remaining program funds to two community-based, non-profit organizations to offer cohort-based, career pathway training, employment, and retention programs designed to prepare unemployed and under-employed low-income residents for career opportunities in a regional high demand industry. The City intends to provide two awards under this solicitation: one that focuses on a targeted population of the formerly incarcerated and one that serves a general population. At this time, the City is prepared to move forward on the general population award.

The Office of Procurement services received seven proposals from solicitation number BTZ1825 for the general population category. The most advantageous proposer and recommended vendor is Oak Cliff Empowered Inc. Oak Cliff Empowered Inc. provides a Patient Care Technician Training and other stackable credentials to unemployed and underemployed with 50% being single-parents or between the ages of 18 to 24. Collaborating partners include Dallas County Community College District, and Methodist Health System.

Authorize a two-year service contract to administer Workforce Readiness, Placement, and Retention Programs

March 15, 2019

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The scoring of the proposals is as follows:

General Population		
Bidder	Address	Score
Oak Cliff Empowered, Inc	1001 North Bishop Dallas, Texas 75208	92.60
Goodwill Industries of Dallas, Inc	3020 N. Westmoreland Road Dallas, Texas 75212	79.80
Vickery Meadow Learning Center dba Literacy Achieves	4144 N. Central Expressway Dallas, Texas 75204	68.00
Community Council of Greater Dallas	1341 W. Mockingbird Lane Dallas, Texas 75247	62.40
Year UP-Dallas/Fort Worth	701 Elm Street Dallas, Texas 75202	59.60
Zan W. Holmes Jr. Community Outreach Center	2606 Martin Luther King Boulevard Dallas, Texas 75215	57.80
The Avenue Proactive Resource Center	3010 Morgan Drive Dallas, Texas 75241	42.20

Alternatives

Without the City's approval, the expansion of Oak Cliff Empowered, Inc.'s services will not take place.

Financing

Public/Private Partnership Funds - \$374,493

Coordination

Office of Community Cares, Financial Services and Fair Housing served on the review committee.

Recommendation

Staff recommends approval of an item authorizing a two-year service contract to administer a Workforce Readiness, Placement, and Retention Program to provide career pathways training with Oak Cliff Empowered, Inc. in the amount of \$374,493.

Should you have any questions, please contact me at (214) 670-1696.

Authorize a two-year service contract to administer Workforce Readiness, Placement, and Retention Programs

March 15, 2019

Page 4



Courtney Pogue, Director
Office of Economic Development

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Laila Aleqresh, Chief Innovation Officer
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE March 15, 2019

TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Upcoming Agenda Item – Flora Street Lofts New Applicable Elected Representative (AER) Approval**

Summary

The City of Dallas Housing Finance Corporation (DHFC) Bond Counsel notified staff that an additional approval of an “applicable elected representative” (AER) was required to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), for the issuance of tax-exempt multifamily residential bonds (the “Bonds”) for the Flora Street Lofts development to be located at 2121 Flora Street. Under applicable federal income tax regulations, the Bonds must be issued within one year of the approval by an AER. Once the one-year period expires, a new AER approval must be provided after a public hearing following reasonable public notice. A new public hearing has been held, and City Council, as AER under Section 147(f)(2)(E) of the Code, is being requested to approve the issuance of the Bonds by the DHFC after the new public hearing. On March 27, 2019, this item would be placed on the agenda for consideration by the full City Council.

Background

Flora Street Lofts will include 52 multifamily residential units composed of 6 zero-bedroom, 26 one-bedroom, 18 two-bedroom, and 2 three-bedroom units (the “Development”) for mixed-income families as part of the overall Atelier Tower development which includes market rate residential and retail space. The original AER approval for the Bonds was provided by City Council on March 22, 2017 and was valid through March 21, 2018. A second AER approval was provided by City Council on February 28, 2018 and was valid through February 27, 2019. Given that the Bonds will not be issued until after February 27, 2019, a new AER approval is required. The approval being requested is only for purposes of complying with the public approval requirements of Section 147(f) of the Code, which requires the City Council or other AER to approve the issuance of the Bonds by the DHFC after a public hearing following reasonable public notice.

Originally, the closing of the Bonds was delayed awaiting the Texas Department of Housing and Community Affairs (TDHCA) approval of the 4% housing tax credits. Unfortunately, during that time the time period for the validity of the first AER approval expired. During the validity period of the second AER approval, the equity investor slated to purchase the 4% housing tax credits backed out of the deal, delaying the closing on

the Development. Another equity investor has been identified and would like to close the transaction in April 2019 subject to approval of the investors of the Atelier Tower, which is part of the same development as Flora Street Lofts.

Issue

The Bonds will not be issued until after the expiration of the validity of the second AER approval on February 27, 2019. As a result, a new public hearing must be conducted following reasonable public notice and the issuance of the Bonds approved by an AER. Notice of a new public hearing was published in *The Dallas Morning News* on February 25, 2019. On March 11, 2019, the public hearing was held with no outside participants in attendance, and thus, no comments made.

Alternatives

If no action is taken, the Bonds may not be issued on a tax-exempt basis. Moreover, the Development will be at risk of losing the tax credit allocation.

Fiscal Impact

There is no cost consideration to the City. The Bonds will not be issued by the City of Dallas, thus, there will not be a debt or liability of the City nor will the City's name appear on the Bonds.

Departments/Committee Coordination

On February 22, 2017, City Council approved the issuance of tax-exempt bonds by the DHFC following a public hearing by Resolution No. 17-0377.

On March 22, 2017, City Council authorized the DHFC to issue of tax-exempt bonds for the Development, adopted a resolution of no objection for the Development to TDHCA pursuant to deconcentration factors contained in TDHCA's Qualified Allocation Plan by Resolution No. 17-0533.

On February 28, 2018, City Council approved issuance of tax-exempt bonds by the DHFC in Resolution No. 18-0341.

Information about this item will be provided to the Economic Development and Housing Committee on March 18, 2019.

Staff Recommendation

Staff recommends that the Economic Development and Housing Committee support the issuance of the Bonds by the DHFC and acknowledge the new public hearing conducted on March 11, 2019. This item will be placed on the City Council agenda for March 27, 2019.

March 15, 2019

Flora Street Lofts New TEFRA Hearing
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Should you have any questions, please contact me at (214) 670-3619.



 David Noguera, Director
Housing and Neighborhood Revitalization

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