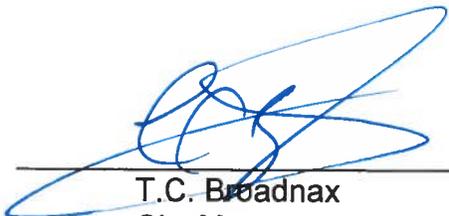


**FEBRUARY 28, 2018 CITY COUNCIL ADDENDUM
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Addendum dated February 28, 2018. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



T.C. Broadnax
City Manager

2/23/2018

Date



Elizabeth Reich
Chief Financial Officer

2-23-2018

Date

RECEIVED

2016 FEB 23 PH 3: 39

CITY SECRETARY
DALLAS, TEXAS

**ADDENDUM
CITY COUNCIL MEETING
WEDNESDAY, FEBRUARY 28, 2018
CITY OF DALLAS
1500 MARILLA STREET
COUNCIL CHAMBERS, CITY HALL
DALLAS, TX 75201
9:00 A.M.**

REVISED ORDER OF BUSINESS

Agenda items for which individuals have registered to speak will be considered no earlier than the time indicated below:

9:00 a.m. **INVOCATION AND PLEDGE OF ALLEGIANCE**

OPEN MICROPHONE

CLOSED SESSION

MINUTES

Item 1

CONSENT AGENDA

Items 2 - 58

CONSENT ADDENDUM

Item 1

ITEMS FOR INDIVIDUAL CONSIDERATION

No earlier
than 9:15 a.m.

Items 59 - 66
Addendum Item 2

PUBLIC HEARINGS AND RELATED ACTIONS

1:00 p.m.

Items 67 - 79

Handgun Prohibition Notice for Meetings 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 pistol 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."

**ADDENDUM
CITY COUNCIL MEETING
FEBRUARY 28, 2018
CITY OF DALLAS
1500 MARILLA STREET
COUNCIL CHAMBERS, CITY HALL
DALLAS, TEXAS 75201
9:00 A.M.**

ADDITIONS:

CONSENT ADDENDUM

Office of Procurement Services

1. Authorize **(1)** the rejection of the proposals received for passenger ground transportation management services at Love Field; and **(2)** the re-advertisement for a new solicitation - Financing: No cost consideration to the City

ITEMS FOR INDIVIDUAL CONSIDERATION

Office of Economic Development

2. Authorize a second amendment to the development agreement with Commerce Statler Development, LLC and Centurion Acquisition, LP (collectively, the "Developer") for the Statler/Library/Jackson Street Redevelopment project, previously authorized on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685, to **(1)** replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and that upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and **(2)** require the construction of an underground Jackson Street Garage and for Mehrdad Moayedı to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019 - Financing: No cost consideration to the City

ADDENDUM DATE February 28, 2018

ITEM		IND						
#	OK	DEF	DISTRICT	TYPE	DEPT.	DOLLARS	DESCRIPTION	
1			2	C	PBD, AVI	NC	Authorize (1) the rejection of the proposals received for passenger ground transportation management services at Love Field; and (2) the re-advertisement for a new solicitation - Financing: No cost consideration to the City	
2			2, 14	I	ECO	NC	Authorize a second amendment to the development agreement with Commerce Statler Development, LLC and Centurion Acquisition, LP (collectively, the "Developer") for the Statler/Library/Jackson Street Redevelopment project, previously authorized on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685, to (1) replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and that upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and (2) require the construction of an underground Jackson Street Garage and for Mehrdad Moayedhi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019 - Financing: No cost consideration to the City	

TOTAL \$0.00

ADDENDUM ITEM # 1

**STRATEGIC
PRIORITY:**

Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE:

February 28, 2018

COUNCIL DISTRICT(S):

2

DEPARTMENT:

Office of Procurement Services
Department of Aviation

CMO:

Elizabeth Reich, 670-7804
Jody Puckett, 670-3390

MAPSCO:

34 E

SUBJECT

Authorize **(1)** the rejection of the proposals received for passenger ground transportation management services at Love Field; and **(2)** the re-advertisement for a new solicitation - Financing: No cost consideration to the City

BACKGROUND

This item is on the addendum in order to allow for an expeditious rebidding process.

This action will authorize the rejection of the proposals received for solicitation BRZ1701 for a five-year service contract, with three two-year renewal options, for passenger ground transportation management services at Love Field. The Department of Aviation will review and modify the specifications before re-advertisement. The Office of Procurement Services further determined it would be more advantageous to the City to reject the proposals and re-advertise for a new solicitation.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

City Council will be briefed by memorandum regarding this matter on February 23, 2018.

FISCAL INFORMATION

No cost consideration to the City.

February 28, 2018

WHEREAS, it has been determined that it is in the best interest of the City of Dallas to reject the proposals that were received for passenger ground transportation management services at Love Field.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the proposals received for passenger ground transportation management services at Love Field are hereby rejected and authorization to advertise a solicitation is granted.

SECTION 2. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: February 28, 2018

COUNCIL DISTRICT(S): 2, 14

DEPARTMENT: Office of Economic Development

CMO: Raquel Favela, 670-3309

MAPSCO: 45 L Q

SUBJECT

Authorize a second amendment to the development agreement with Commerce Statler Development, LLC and Centurion Acquisition, LP (collectively, the "Developer") for the Statler/Library/Jackson Street Redevelopment project, previously authorized on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685, to **(1)** replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and that upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and **(2)** require the construction of an underground Jackson Street Garage and for Mehrdad Moayedi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019 - Financing: No cost consideration to the City

BACKGROUND

This item is being placed on the addendum at the request of the City Manager.

On April 23, 2014, City Council authorized a development agreement, between the City and Developer and committed a TIF subsidy in the amount of \$46,500,000 for the redevelopment of the Statler building located at 1914 Commerce Street, Dallas, Texas, the Old Dallas Central Library building, located at 1954 Commerce Street, Dallas, Texas, and construction of a new parking garage on Jackson Street adjacent to the Old Library building.

BACKGROUND (continued)

The developer has requested and the TIF Board has recommended the following modifications to the project's requirements:

1. Replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and that upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and
2. Require the construction of an underground Jackson Street Garage and for Mehrdad Moayedi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019.

Throughout the development and leasing process a few components of the project changed. The original project plan included the construction of an above ground parking garage on Jackson Street, adjacent to the Old Library building. The garage, as originally contemplated, encountered significant obstacles and delays related to the design of the 7-level, 785 space above ground parking garage. A third of the garage's property is in the Harwood Historic District. Historic Landmark Review and the Urban Design Peer Review Panel were not supportive of the scale and façade treatment of the garage given its location in the historic district and adjacency to the proposed Harwood Park. Given the challenges to obtaining approval of the above ground structure, the developer chose to redesign the garage to be underground. Other construction delays included completion of a land swap with the City to complete land assemblage for the garage and a thoroughfare plan amendment for Harwood Street to eliminate encroachment of the garage property into the City's right of way and increase the sidewalk on Harwood Street from 5.5 feet to 10 feet. The construction budget for the garage increased from \$8.5M to \$17M and commencement of construction was delayed from January 2017 to October 2017. For these reasons, the Developer has requested the requirement to complete an above ground Jackson Street Garage be removed as a requirement for vesting the project, and replaced by a larger underground parking facility constructed by Developer under the Statler building.

Although the proposed amendment replaces the requirement to construct the above ground Jackson Street Garage with the underground Statler garage, staff, as well as the developer, believes the underground Jackson Street Garage's construction is vital to the success of the area and Mehrdad Moayedi has agreed to provide a \$5M personal guarantee to demonstrate the developer's commitment to the completion of the garage.

BACKGROUND (continued)

The guarantee will be released upon completion of construction and issuance of a Certificate of Occupancy for the structure by December 31, 2019.

On October 17, 2017, The Statler Hotel opened and the Statler Residences opened on May 1, 2017. Approximately 106 units are leased to date with 22 of those leases in compliance with the Mixed Income Housing requirement for the project. Overeasy (diner fronting Commerce Street), Bourbon and Banter (speakeasy in basement), the hotel catering kitchen and the Grand Ballroom all opened concurrently with the Statler Hotel. Scout (social/entertainment space), Fine China (Asian fusion restaurant) and Waterproof (rooftop bar and hotel pool, currently partially open) along with the remaining retail venues (approximately 10,000 square feet) are currently under construction with completion slated for the second quarter of 2018.

The Developer anticipates final completion of The Statler Hotel & Residences by the second quarter of 2018. The Old Dallas Library, new home of the Dallas Morning News, was completed and occupied in December 2017. The Developer's total investment is in excess of \$250M, surpassing the required minimum investment of \$120M. Staff is supportive of the proposed amendments.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 23, 2014, City Council authorized a development agreement with Centurion Acquisitions, LP for eligible project costs, street and utility improvements in an amount not to exceed \$3,000,000 plus an Economic Development TIF Grant in an amount not to exceed \$43,500,000 for a total not to exceed \$46,500,000 for redevelopment of the buildings addressed as 1914 Commerce Street (Statler building) and 1954 Commerce Street (Old Dallas Central Library building) and properties addressed as 2002 Commerce Street, 210, 300 and 308 South Harwood Street and 2003 Jackson Street from revenues accruing to Tax Increment Financing Reinvestment Zone Eleven by Resolution No. 14-0684.

On April 23, 2014, City Council authorized a resolution declaring the intent of Tax Increment Financing District Reinvestment Zone Number Eleven (Downtown Connection TIF District) to reimburse Centurion Acquisitions, LP for project costs pursuant to the development agreement with Centurion Acquisitions, LP by Resolution No. 14-0685.

On August 10, 2016, City Council authorized out of state financing for the Statler/Library redevelopment project to allow a Public Finance Authority to issue bonds pursuant to Wisconsin law by Resolution No. 16-1174.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

On December 14, 2016, City Council authorized an ordinance to (1) amend Tax Increment Financing Reinvestment Zone Number Eleven's (Downtown Connection TIF District) Project and Reinvestment Zone Financing Plans to add the Statler/Library redevelopment project to the District's Project Plan; (2) approve the directed sale, for fair market value consideration and yet to be negotiated sale terms subject to City Council approval of a 0.129 acre (5,600 square feet) City owned tract of land addressed as 210 South Harwood Street, located in the Downtown Connection TIF District to Centurion Acquisitions, LP to complete the Statler/Library redevelopment project in accordance with the District's Project Plan; and (3) make corresponding modifications to the Downtown Connection TIF District's Project and Reinvestment Zone Financing Plans, consistent with the requirements and limitations of the Act by Ordinance No. 30274.

On March 22, 2017, City Council authorized the conveyance of approximately 5,500 square feet of City-owned land to CADG Property Holdings I, LLC located near the intersection of Harwood and Jackson Streets in exchange for approximately 162,610 square feet of land owned by CADG Property Holdings I, LLC located near the intersection of Camp Wisdom and Lancaster Roads by Resolution No. 17-0538.

On June 27, 2017, the Downtown Connection TIF District Board of Directors reviewed and recommended approval to the Office of Economic Development Director the following adjustments for the Statler/Library Redevelopment project previously authorized by City Council on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685 to (1) a twelve-month extension of the project's deadline to: (a) complete construction; (b) receive a Certificate of Occupancy; (c) receive acceptance of public infrastructure improvements; and (d) execute an Operation and Maintenance Agreement from October 1, 2017 to October 1, 2018, as permitted by and in accordance with the project's development agreement; and (2) adjustment of square footage for the following project improvements to (a) reallocate the minimum 10,000 square feet for theater space to hotel amenity space, increasing the minimum square feet of hotel space (including hotel amenity space) from 110,000 to 120,000 square feet; (b) reallocate the minimum 9,000 square feet of new retail construction associated with the Jackson Street Garage to the project's minimum retail space, increasing the minimum square feet of retail/restaurant space from 40,000 to 49,000 square feet, as permitted by and in accordance with the project's development agreement.

On January 11, 2018, the Downtown Connection TIF District Board of Directors reviewed and recommended approval of the following amendments to the development agreement for the Statler/Library Redevelopment project previously authorized by City Council on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685 to:

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

1. Replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and upon completion of the below-ground parking garage space and all other project requirements, the Developer will be eligible for the previously approved TIF award of \$46,500,000; and
2. Require the construction of an underground Jackson Street Garage and for Mehrdad Moayedi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019, as permitted by and in accordance with the project's development agreement.

Information about this item was provided to the Economic Development and Housing Committee on February 5, 2018.

FISCAL INFORMATION

No cost consideration to the City.

PROJECT COUNCIL DISTRICT

14

OWNER/DEVELOPER

Centurion Acquisitions, LP

Mehrdad Moayedi, President and Chief Executive Officer

MAP

Attached

February 28, 2018

WHEREAS, the City recognizes the importance of its continued role in local economic development; and

WHEREAS, on June 8, 2005, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eleven, (the "Downtown Connection TIF District") in accordance with the Tax Increment Financing Act, as amended, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act") to promote development and redevelopment in the Uptown and Downtown areas through the use of tax increment financing by Ordinance No. 26020; and

WHEREAS, on August 29, 2005, City Council authorized the adoption of the Downtown Connection Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan (the "Project and Financing Plan") by Ordinance No. 26096; and

WHEREAS, on April 23, 2014, City Council authorized a development agreement with Centurion Acquisitions, LP for eligible project costs, street and utility improvements in an amount not to exceed \$3,000,000 plus an Economic Development TIF Grant in an amount not to exceed \$43,500,000 for a total not to exceed \$46,500,000 for redevelopment of the buildings addressed as 1914 Commerce Street (Statler building) and 1954 Commerce Street (Old Dallas Central Library building) and properties addressed as 2002 Commerce Street, 210, 300 and 308 South Harwood Street and 2003 Jackson Street from revenues accruing to Tax Increment Financing Reinvestment Zone Eleven by Resolution Nos. 14-0684 and 14-0685, as amended; and

WHEREAS, in furtherance of the Downtown Connection TIF District Project Plan and Reinvestment Zone Financing Plan and to promote within the Downtown Connection TIF District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, and (3) development and expansion of commerce, the City approved economic incentives to Developer, for the Project in the Downtown Connection TIF District; and

WHEREAS, the expenditure of TIF funds supporting this Project is consistent with promoting development and redevelopment of the Downtown Connection TIF District in accordance with the purposes for its creation, the City's revised Public/Private Partnership Guidelines and Criteria, the ordinance adopted by the City Council approving the Project and Financing Plan, and is for the purpose of making public improvements consistent with and described in the Project and Financing Plan for the Downtown Connection TIF District; and

February 28, 2018

WHEREAS, on August 10, 2016, City Council authorized out of state financing for the Statler/Library redevelopment project to allow a Public Finance Authority to issue bonds pursuant to Wisconsin law by Resolution No. 16-1174; and

WHEREAS, on December 14, 2016, City Council authorized an ordinance to (1) amend Tax Increment Financing Reinvestment Zone Number Eleven's (Downtown Connection TIF District) Project and Reinvestment Zone Financing Plans to add the Statler/Library redevelopment project to the District's Project Plan; (2) approve the directed sale, for fair market value consideration and yet to be negotiated sale terms subject to City Council approval of a 0.129 acre (5,600 square feet) City owned tract of land addressed as 210 South Harwood Street, located in the Downtown Connection TIF District to Centurion Acquisitions, LP to complete the Statler/Library redevelopment project in accordance with the District's Project Plan; and (3) make corresponding modifications to the Downtown Connection TIF District's Project and Reinvestment Zone Financing Plans, consistent with the requirements and limitations of the Act by Ordinance No. 30274; and

WHEREAS, on March 22, 2017, City Council authorized the conveyance of approximately 5,500 square feet of City-owned land to CADG Property Holdings I, LLC located near the intersection of Harwood and Jackson Streets in exchange for approximately 162,610 square feet of land owned by CADG Property Holdings I, LLC located near the intersection of Camp Wisdom and Lancaster Roads by Resolution No. 17-0538; and

WHEREAS, on February 5, 2018, the Economic Development and Housing Committee was provided information on the proposed development agreement amendment; and

WHEREAS, the expenditure of TIF funds supporting this development is consistent with promoting development and redevelopment of the Downtown Connection TIF District in accordance with the purposes for its creation, the City's revised Public/Private Partnership Guidelines and Criteria, the ordinance adopted by the City Council approving the Project and Financing Plan, and is for the purpose of making public improvements consistent with and described in the Project and Financing Plan for the Downtown Connection TIF District.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

February 28, 2018

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a second amendment to the development agreement with Commerce Statler Development, LLC and Centurion Acquisition, LP (collectively, the "Developer") for the Statler/Library Redevelopment project previously authorized by City Council on April 23, 2014, by Resolution Nos. 14-0684 and 14-0685 to:

1. Replace the requirement of a minimum of 90,000 square feet of new above-ground parking garage construction with the requirement of a minimum of 150,000 square feet of new below-ground parking garage space constructed as part of redevelopment of the Statler building and upon completion of the below-ground parking garage space and all other project requirements the Developer will be eligible for the previously approved TIF award of \$46,500,000; and
2. Require the construction of an underground Jackson Street Garage and for Mehrdad Moayedi to execute a personal guaranty in the amount of \$5,000,000 to be released upon completion and receipt of a Certification of Occupancy for the new underground Jackson Street Garage by December 31, 2019.

SECTION 2. That with the exception of the amendments described above, all other requirements of the development agreement for the Statler/Library Project, as previously amended, will remain in full force and effect.

SECTION 3. That this contract is designated as Contract No. ECO-2018-00005531.

SECTION 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.