

# Memorandum

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2013 AUG 29 AM 9:13

DATE August 30, 2013

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

SUBJECT **Economic Development Committee**  
**Tuesday, September 3, 2013, 9:00 – 10:30 a.m.**  
**1500 Marilla Street, City Hall, Room 6ES, Dallas, Texas 75201**

## AGENDA

1. Approval of June 17, 2013 Minutes of the Economic Development Committee
2. Dallas Proton Treatment Center - Phase I of Apparel Mart Redevelopment Design District TIF  
Karl Zavitkovsky, Director,  
Office of Economic Development  
**(Estimated time 20 minutes)**
3. Liberty State Bank Preservation Project – City Center TIF District  
Karl Zavitkovsky, Director,  
Office of Economic Development  
**(Estimated time 20 minutes)**
4. Dallas Public Improvement Districts (PIDs) Overview and Update  
Karl Zavitkovsky, Director,  
Office of Economic Development  
**(Estimated time 20 minutes)**
5. Adoption of 2012 International Construction Codes  
Larry Holmes, Chief Building Official  
Sustainable Development and Construction  
**(Estimated time 20 minutes)**
6. Upcoming Agenda Item
  - Hillwood IPOD Development



Tennell Atkins, Chair  
Economic Development Committee

C: The Honorable Mayor and Members of the City Council  
A. C. Gonzales, Interim City Manager  
Rosa Rios, City Secretary  
Thomas P. Perkins Jr., City Attorney  
Judge Daniel Solis, Administrative Judge Municipal Court  
Craig Kinton, City Auditor  
Frank Libro, Public Information Officer  
Ryan S. Evans, Interim 1<sup>st</sup> Assistant City Manager  
Forest Turner, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Mgr.  
Jeanne Chipperfield, CFO, OFS  
Karl Zavitkovsky, Director, OED  
J. Hammond Perot, Assistant Director, OED  
Elsa Cantu, Assistant to the CMO

**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**

**June 17, 2013**

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:** June 17, 2013      **Meeting Start time:** 9:00 AM

**Committee Members Present:**

Tennell Atkins  
Ann Margolin  
Monica Alonzo  
Sheffie Kadane

**Staff Present:**

Ryan Evans, Assistant City Manager, City Managers Office  
Karl Zavitkovsky, Director, Office of Economic Development  
Hammond Perot, Director, Office of Economic Development  
Karl Stundins, Manager, Office of Economic Development

**Other Council Members Present:**

**Other Presenters:**

**1. Approval of June 3, 2013 Minutes of the Economic Development Committee**

**Presenter(s):**

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

**Motion made by:** Mr. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**2. Creation of Klyde Warren Park Public Improvement District**

**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. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**3. Dallas Entrepreneur Center: Accelerating Startups in Dallas**

**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. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously: X

Item passed on a divided vote:       

Item failed unanimously:       

Item failed on a divided vote:       

**Follow-up (if necessary):**

**Upcoming Agenda Items**

**4. Authorize First TIF Development Agreement for Farmers Market Improvements**

**Presenter(s):** Ryan S. Evans, Assistant City Manager, City Managers Office

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

**Motion made by:** Mr. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**5. North Parking Garage Development Agreement Amendment**

**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. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**6. Kohl's Department Stores, Inc. Project**

**Presenter(s):** Hammond Perot, Assistant Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** Motion made to recommend items to council for approval.

**Motion made by:** Mr. Kadane

**Motion seconded by:** Ms. Margolin

Item passed unanimously:  X

Item passed on a divided vote:  \_\_\_\_\_

Item failed unanimously:  \_\_\_\_\_

Item failed on a divided vote:  \_\_\_\_\_

**Follow-up (if necessary):**

**7. Arboretum Village**

**Presenter(s):** Hammond Perot, Assistant Director, Office of Economic Development

**Action Taken/Committee Recommendation(s):** Motion made to recommend items to council for approval.

**Motion made by:** Mr. Kadane

**Motion seconded by:** Ms. Margolin

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: 10:16AM**

**Approved By: \_\_\_\_\_**

# Memorandum



DATE August 30, 2013

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

SUBJECT **Dallas Proton Treatment Center – Phase I of Apparel Mart Redevelopment  
(Design District TIF District)**

On Tuesday, September 3, 2013, the Economic Development Committee will be briefed on proposed development agreements for the Dallas Proton Treatment Center – Phase I of Apparel Mart Redevelopment and the overall masterplan.

Briefing material is attached.

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



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Rosa Rios, City Secretary  
Thomas P. Perkins Jr., City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge Municipal Court  
Frank Libro, Public Information Officer  
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Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager-Council Office

# Dallas Proton Treatment Center - Phase I of Apparel Mart Redevelopment Design District TIF

Economic Development Committee  
September 3, 2013

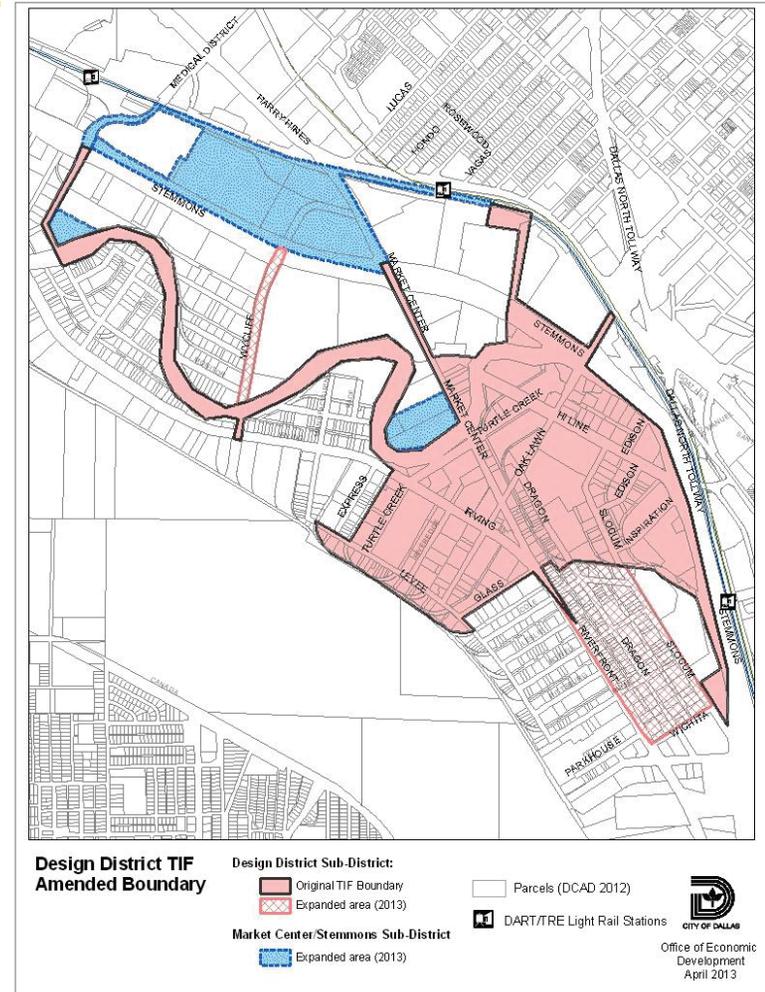
# Purpose

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- Review Apparel Mart Redevelopment Masterplan and Dallas Proton Treatment Center proposal for TIF funding as the Phase I project in Design District TIF.
- Obtain Economic Development Committee approval for consideration of this item by City Council on September 11, 2013.

# Design District TIF District: *Background*

- Design District TIF created in 2005.
- Comprehensive boundary and plan amendment approved by Council on June 12, 2013.
- Amended district includes two sub-districts:
  - **Design District Sub-District** – original boundary of the TIF District plus additional property along the Slocum, Dragon Street, and Riverfront Blvd. corridors (original shown in the solid coral and added property in hatched coral pattern)
  - **Market Center/Stemmons Sub-District** – encompasses the former Dallas Apparel Mart site and additional properties (shown in blue pattern)



# Design District TIF District: *Background (con't)*

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- Created to assist in conversion of industrial and warehouse district to a unique urban neighborhood to:
  - Take advantage of the expanding DART light rail system
  - Improve access to the Trinity River and quality of development adjacent to Trinity/Stemmons Corridor.
- Recent district expansion incorporates the former Dallas Apparel Mart site:
  - Proposed for redevelopment by Market Center Land, L.P., (“MCL”), an affiliate of Crow Holdings.
  - Potential for office and hotel development opportunities.
- District will expire December 31, 2027, or when approximately \$132 million in TIF increment collected.

# Design District TIF District: *Background (con't)*

- Since 2005, district has grown to include 1,000+ apartments, new restaurants, upgraded showrooms/retailers (approximately \$168 million in new investment completed or planned).
- Annual increment collection \$1 million+ per year.
- Total Budget = \$132 million (see Appendix 1).



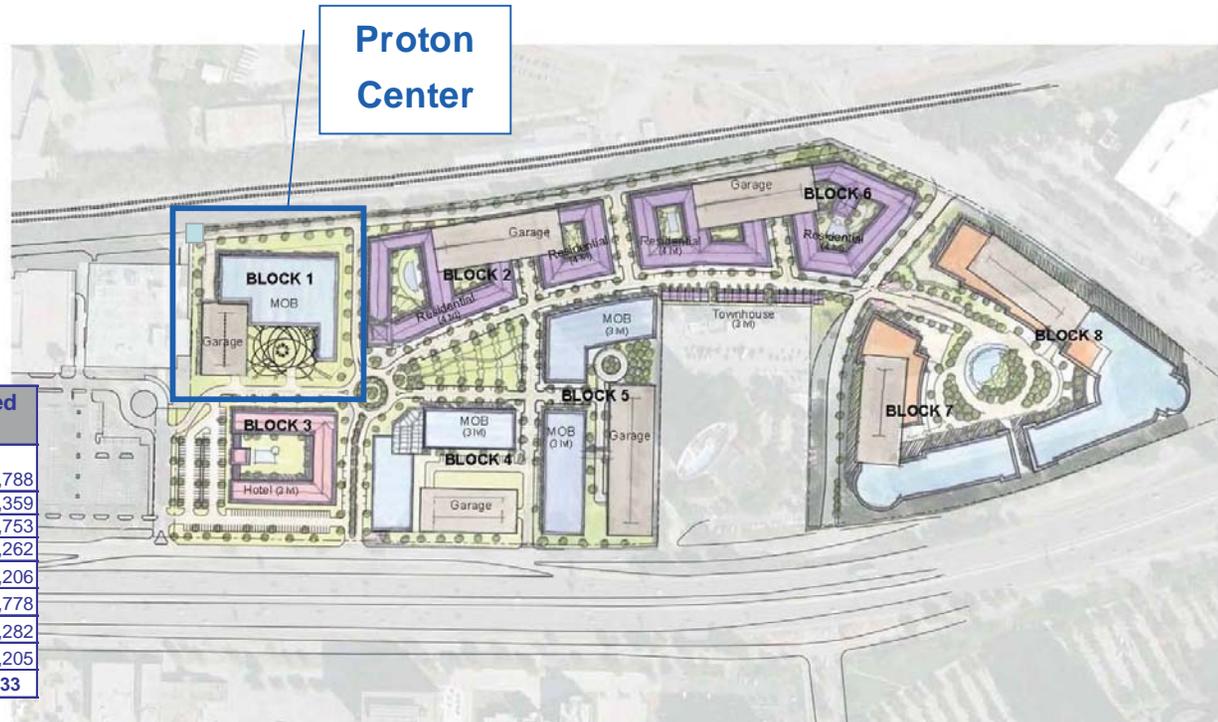
1525 Turtle Creek development



1400 Hi Line development

# MCL Masterplan for Apparel Mart Redevelopment

MCL Master Plan for former Dallas Apparel Mart site



| Year         | Block   | Proposed Use   | Estimated Value      |
|--------------|---------|----------------|----------------------|
| 2015         | Block 1 | Medical/Office | \$27,450,788         |
| 2016         | Block 3 | Hotel          | \$18,576,359         |
| 2017         | Block 2 | Residential    | \$38,441,753         |
| 2017         | Block 4 | Medical/Office | \$47,862,262         |
| 2019         | Block 5 | Medical/Office | \$61,792,206         |
| 2020         | Block 6 | Residential    | \$50,916,778         |
| 2023         | Block 7 | Mixed Use      | \$36,608,282         |
| 2025         | Block 8 | Mixed Use      | \$49,103,205         |
| <b>Total</b> |         |                | <b>\$330,751,633</b> |

Masterplan  
Scale 1" = 100'



CROW HOLDINGS



Proposed Design District TIF Expansion

11/27/2012

Note: The above master plan is conceptual and anticipated development projects or phases are subject to market conditions and may change over time.

# MCL Masterplan

## Development Agreement Provisions

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- Separate development agreement with MCL related to the master plan and process for future modifications brought forward concurrently as condition of TIF support for Phase I Dallas Proton Treatment Center (DPTC) project.
  - Conceptual plan reviewed by Design Studio's Peer Review Panel.
  - Conformance with organization, massing, and pedestrian emphasis important.

# MCL Masterplan – Development Agreement Provisions (con't)

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- Future phases of development will comply with TIF policies including:
  - Mixed income housing (for phases with a residential component).
  - Affirmative fair housing plan (for phases with a residential component).
  - Compliance with the City’s Business Inclusion and Development (“BID”) goal of certified minority/women-owned business enterprise (M/WBE) participation.

# MCL Masterplan – Development Agreement Provisions (con't)

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- Other provisions include:
  - Future phases in substantial conformance with the approved master plan (specific design standards detailed in the development agreement).
  - Operating and Maintenance Agreements on all non-standard TIF eligible improvements.
  - TIF funding allocated to projects on a pari passu basis tied to increment generation.
  - Each vertical project reviewed individually.

# Dallas Proton Treatment Center (DPTC)

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- Dallas Proton Treatment Center, LLC (DPTC) is working in conjunction with Market Center Land, L.P. (“MCL”) on a 115,000 square foot state-of-the art cancer treatment facility on 4.6 acres of the MCL master plan.
- Leading edge technology will improve Dallas’ reputation as a provider of world class healthcare, research, and education.
- University of Texas Southwestern will operate the center using proton therapy technology developed by Hitachi.

# Dallas Proton Treatment Center (con't)

- Private investment to exceed \$88 million.
- TIF incentives would reimburse for infrastructure, including major storm sewer utilities, essential for other phases of MCL master plan to be implemented.
- New business personal property (BPP) value of \$90 million estimated to provide:
  - Annually \$717,300 (City) and \$218,790 (County) general fund.
  - Cumulative BPP revenue over life of TIF at \$8.6 million (City) and \$2.6 million (County).
- 600 new construction jobs and 120 permanent jobs once open.

# Dallas Proton Treatment Center (con't)

- The center is projected to:
  - Treat 2,000 patients annually once fully operational.
  - Operate 16 hours a day plus after hours equipment commissioning creating an active environment.
  - Draw 75% of patients from outside the DFW metroplex.
  - Duration of treatment averages 37.5 days translating into potential 56,250 hotel room nights.
- The City would see benefits from 7% of hotel tax revenue and the 2% Tourism PID assessment (for promotion and marketing efforts).

# Dallas Proton Treatment Center (con't)



The final site plan may have minor modifications due to re-planning and/or access easement changes.

# Dallas Proton Treatment Center (con't)

Conceptual  
Elevation



CAMPUS ENTRY DAY  
DALLAS PROTON TREATMENT CENTER 03.20.13

# Dallas Proton Treatment Center

## *Proposed TIF Funding*

- The recommended TIF subsidy for the project is an amount up to \$7,025,000 for eligible TIF costs.
- TIF funds for the project would be used to offset the cost of the following improvements:
  - Demolition/Environmental Remediation
  - Street and Utility Improvements
  - Streetscape Improvements

| TIF Budget Category   | Amount             |
|---|--------------------|
| <b>Market Center/Stemmons Sub-District:</b><br>Environmental remediation & demolition<br>Paving, streetscape & utility improvements | \$7,025,000        |
| <b>Total TIF Funding Request</b>  | <b>\$7,025,000</b> |

# Dallas Proton Treatment Center Funding Sources and Uses

| Funding Source                                 | Amount              |     | Use                          |
|--|---------------------|-----|------------------------------|
| Private Equity (includes \$30 mil bridge loan) | \$65,000,000        | 68% | Acquisition and Construction |
| Construction Loan                              | \$30,238,361        | 32% | Construction                 |
| <b>Total</b>                                   | <b>\$95,238,361</b> |     |                              |

# Dallas Proton Treatment Center Summary

| Proposed Dallas Proton Treatment Center Project  |                                    |
|--|------------------------------------|
| <b>Project Square Footage</b>  | 115,000 square feet medical office |
| <b>Private Investment</b> ( <i>acquisition cost, demolition, hard and soft costs for retail rehabilitation, site improvements, and residential lot preparation</i> ) | \$88,213,455                       |
| <b>Total Project Costs</b> ( <i>land acquisition, soft costs, debt expenses, future home building estimate, etc</i> )  | \$95,238,361                       |
| <b>TIF Funding</b>   | \$7,025,000 maximum                |
| <b>% TIF Funds to Total Project Costs</b>  | 7.38%                              |
| <b>Return on Cost with TIF Reimbursement</b>   | 7.04%                              |
| <b>Return on Cost without TIF Reimbursement</b>  | 6.86%                              |
| <b>Developer Fee</b>   | 4%                                 |
| <b>Anticipated Construction Start Date</b>   | June 30, 2014                      |
| <b>Anticipated Project Completion Date</b>   | December 31, 2015                  |

# Recommendations

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- Economic Development Committee recommendation for Council approval of:
  - A development agreement related to the Market Center Land, L.P. (MCL) Masterplan.
  - A development agreement for the Phase I - Dallas Proton Treatment Center for TIF funding.
- Council consideration on September 11, 2013.

# Appendices

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# Appendix 1: Design District TIF Budget

| Category                                       | Estimated TIF Expenditure Current Dollars | Allocated           | Balance              |
|--|---|---------------------|----------------------|
| <b>Design District Sub-District:</b>           | <b>\$87,485,550</b>                       | <b>\$4,718,758</b>  | <b>\$82,766,792</b>  |
| Paving & Streetscape                           |   |                     |                      |
| Wayfinding & District Signage                  |   |                     |                      |
| Water, Wastewater & Storm                      |   |                     |                      |
| Open Spaces, Plazas, Portals, Civic            |   |                     |                      |
| Environmental Remediation & Demolition         |   |                     |                      |
| Utility Burial                                 |   |                     |                      |
| Economic Development Grants                    |   |                     |                      |
| <b>Market Center/Stemmons Sub-District:</b>    | <b>\$33,234,578</b>                       | <b>\$7,025,000*</b> | <b>\$26,209,578</b>  |
| Paving & Streetscape                           |   |                     |                      |
| Wayfinding & District Signage                  |   |                     |                      |
| Water, Wastewater & Storm                      |   |                     |                      |
| Open Spaces, Plazas, Portals, Civic            |   |                     |                      |
| Environmental Remediation & Demolition         |   |                     |                      |
| Utility Burial                                 |   |                     |                      |
| Economic Development Grants                    |   |                     |                      |
| <b>Old Trinity Trail</b>                       | <b>\$7,320,776</b>                        | <b>\$400,000</b>    | <b>\$6,920,776</b>   |
| <b>Administration and implementation</b>       | <b>\$4,392,466</b>                        | <b>\$186,118</b>    | <b>\$4,206,348</b>   |
| <b>Total Project Costs, excluding interest</b> | <b>\$132,433,370</b>                      | <b>\$12,329,876</b> | <b>\$120,103,494</b> |

*Design and engineering costs may be considered in the above categories.*

*\*Pending City Council approval*

## Appendix 2: MCL Masterplan for Apparel Mart Redevelopment

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- Phase I - Dallas Proton Treatment Center is a major medical development being brought forward for TIF funding consideration.
- Phase II is anticipated to be a new hotel. Future phases are anticipated to include new multi-family, medical/office, and mixed use development.
- Estimated \$300-400 million incremental property value at buildout.
- Many of anticipated uses will generate additional BPP, hotel, and sales tax revenue for the City.

# Appendix 2: MCL Masterplan for Apparel Mart Redevelopment (con't)

- TIF funding will address Issues such as aging, poorly located storm sewers and lack of modern infrastructure.



Photos of the existing site currently underutilized

# Appendix 2: Dallas Proton Treatment Center Pro Forma and Budget

|  |                      |               |                   |  |
|--|----------------------|---------------|-------------------|--|
| PROJECT DESCRIPTION:                     |                      | Proton Center |                   |  |
| SITE AREA:                               |                      | 5             |                   |  |
| NUMBER OF FLOORS/STORIES:                |                      | 1             |                   |  |
| BUILDING AREA (g.s.f.):                  |                      | 115,000       |                   |  |
| CONSTRUCTION PERIOD:                     |                      | 24 mo         |                   |  |
| ANTICIPATED CONSTR START DATE:           |                      | 8/15/2013     |                   |  |
| <b>Proton Center</b>                     |                      | <b>SF</b>     | <b># of Units</b> | <b>Total SF</b>  |
| Medical office                           |                      | 115,000       |                   | 115,000  |
|  |                      |               |                   | <b>\$ per SF</b>   |
|  |                      |               |                   | \$239.00   |
| <b>Income (Annual)</b>                   |                      |               |                   | <b>Total Project Cost (incl. public costs) \$270,238,361</b> |
| Revenue year 2                           | \$107,390,527        |               |                   | <b>CITY ASSISTANCE (current \$) \$7,024,906</b>              |
| plus misc income                         | \$0                  |               |                   | <b>Total Project Cost (with City \$) \$263,213,455</b>       |
| plus commercial space                    | \$0                  |               |                   |  |
| less vacancy                             |                      |               |                   | <b>Return on Cost Analysis</b>                               |
| less expenses                            | (\$88,861,053)       |               |                   | <b>NOI/Total Project Costs</b>                               |
| <b>NOI (w/o TIF)</b>                     | <b>\$18,529,474</b>  |               |                   | Return on Cost (no City \$) 6.86%                            |
|  |                      |               |                   | Return on Cost (with City \$) 7.04%                          |
| <b>Project Costs</b>                     |                      |               |                   |  |
| Acquisition & demolition                 | \$11,513,715         |               |                   |  |
| Hard Cost                                | \$241,238,715        |               |                   |  |
| Soft Cost                                | \$10,461,025         |               |                   |  |
| Public costs                             | \$7,024,906          |               |                   |  |
| <b>Total Project Cost (incl. public)</b> | <b>\$270,238,361</b> |               |                   |  |

Total project cost includes additional \$175 million upfront costs incl. BPP, working capital, capitalized interest, hiring/start up costs.

# Appendix 3: TIF Project Increment Chart

| Dallas Proton Treatment Center<br>Project Only |                              |                       |                    |                                 |                               |   |                         |                                     |
|--|------------------------------|-----------------------|--------------------|---------------------------------|-------------------------------|---|-------------------------|-------------------------------------|
| Tax Year                                       | Property Value Estimate City | Property Value Growth | Total Value change | Anticipated Captured Value City | Anticipated Increment Revenue | Anticipated Accumulated Revenue (NPV) 4.00% | Participation Rate City | Tax Increment Revenue City (varies) |
| 2013   | \$2,928,313                  | 0.00%                 | 0.00%              | \$0                             | \$0                           | \$0   | 90%                     | \$0                                 |
| 2014   | \$2,972,238                  | 1.50%                 | 1.50%              | \$43,925                        | \$384                         | \$355                                       | 90%                     | \$315                               |
| 2015   | \$3,016,821                  | 1.50%                 | 3.02%              | \$88,508                        | \$775                         | \$1,044                                     | 90%                     | \$635                               |
| 2016   | \$34,586,828                 | 1046.47%              | 1081.12%           | \$31,658,515                    | \$277,112                     | \$237,920                                   | 90%                     | \$227,087                           |
| 2017   | \$35,105,630                 | 1.50%                 | 1098.83%           | \$32,177,317                    | \$281,653                     | \$469,419                                   | 90%                     | \$230,808                           |
| 2018   | \$35,632,215                 | 1.50%                 | 1116.82%           | \$32,703,902                    | \$286,262                     | \$695,656                                   | 90%                     | \$234,585                           |
| 2019   | \$36,166,698                 | 1.50%                 | 1135.07%           | \$33,238,385                    | \$290,941                     | \$916,747                                   | 90%                     | \$238,419                           |
| 2020   | \$36,709,199                 | 1.50%                 | 1153.60%           | \$33,780,886                    | \$295,689                     | \$1,132,804                                 | 90%                     | \$242,310                           |
| 2021   | \$37,259,837                 | 1.50%                 | 1172.40%           | \$34,331,524                    | \$300,509                     | \$1,343,937                                 | 90%                     | \$246,260                           |
| 2022   | \$37,818,734                 | 1.50%                 | 1191.49%           | \$34,890,421                    | \$305,401                     | \$1,550,256                                 | 90%                     | \$250,269                           |
| 2023   | \$38,386,015                 | 1.50%                 | 1210.86%           | \$35,457,702                    | \$310,367                     | \$1,751,864                                 | 90%                     | \$254,338                           |
| 2024   | \$38,961,805                 | 1.50%                 | 1230.52%           | \$36,033,492                    | \$315,407                     | \$1,948,866                                 | 90%                     | \$258,468                           |
| 2025   | \$39,546,232                 | 1.50%                 | 1250.48%           | \$36,617,919                    | \$320,522                     | \$2,141,363                                 | 90%                     | \$262,660                           |
| 2026   | \$40,139,426                 | 1.50%                 | 1270.74%           | \$37,211,113                    | \$325,714                     | \$2,329,455                                 | 90%                     | \$266,915                           |
| 2027   | \$40,741,517                 | 1.50%                 | 1291.30%           | \$37,813,204                    | \$330,985                     | \$2,513,239                                 | 90%                     | \$271,234                           |
| 2028   | \$41,352,640                 | 1.50%                 | 1312.17%           | \$38,424,327                    | \$336,334                     | \$2,692,810                                 | 90%                     | \$275,618                           |
|  |                              |                       |                    |                                 | <b>\$3,978,054</b>            |   |                         | <b>\$3,259,921</b>                  |

# Appendix 4: Design District Sub-District Increment Chart

| PROJECTED TIF INCREMENT SCHEDULE |                         |                       |                    |                            |                               |                                       |                                |                     |  |
|----------------------------------|-------------------------|-----------------------|--------------------|----------------------------|-------------------------------|---------------------------------------|--------------------------------|---------------------|--|
| Tax Year                         | Property Value Estimate | Property Value Growth | Comp. Value Growth | Anticipated Captured Value | Anticipated Increment Revenue | Anticipated Accumulated Revenue (NPV) | Tax Increment Revenue into TIF |                     |  |
|                                  |                         |                       |                    |                            |                               |                                       | CITY @ 90%                     | COUNTY @ 55%        |  |
| Base 2005                        | \$141,852,062           |                       |                    |                            |                               |                                       |                                |                     |  |
| Adj 2013                         | \$193,949,815           |                       |                    |                            |                               |                                       |                                |                     |  |
| 1 2006                           | \$161,328,660           | 13.73%                | 13.73%             | \$19,476,598               | \$0                           | \$0                                   | \$0                            | \$0                 |  |
| 2 2007                           | \$177,595,830           | 10.08%                | 25.20%             | \$35,743,768               | \$0                           | \$0                                   | \$0                            | \$0                 |  |
| 3 2008                           | \$233,718,204           | 31.60%                | 64.76%             | \$91,866,142               | \$673,629                     | \$598,854                             | \$566,332                      | \$107,297           |  |
| 4 2009                           | \$265,554,293           | 13.62%                | 87.21%             | \$123,702,231              | \$1,005,884                   | \$1,458,688                           | \$859,988                      | \$145,896           |  |
| 5 2010                           | \$276,848,629           | 4.25%                 | 95.17%             | \$134,996,567              | \$1,165,261                   | \$2,416,448                           | \$983,504                      | \$181,758           |  |
| 6 2011                           | \$274,649,352           | -0.79%                | 93.62%             | \$132,797,290              | \$1,130,112                   | \$3,309,592                           | \$952,555                      | \$177,557           |  |
| 7 2012                           | \$307,057,736           | 11.80%                | 116.46%            | \$165,205,674              | \$1,405,909                   | \$4,377,967                           | \$1,185,020                    | \$220,888           |  |
| 8 2013                           | \$424,642,033           | 38.29%                | 199.36%            | \$230,692,218              | \$1,963,202                   | \$5,812,459                           | \$1,654,755                    | \$308,447           |  |
| 9 2014                           | \$467,106,236           | 10.00%                | 229.29%            | \$273,156,421              | \$2,324,575                   | \$7,445,675                           | \$1,959,351                    | \$365,224           |  |
| 10 2015                          | \$567,347,113           | 21.46%                | 299.96%            | \$373,397,298              | \$3,177,630                   | \$9,592,367                           | \$2,678,379                    | \$499,251           |  |
| 11 2016                          | \$609,898,147           | 7.50%                 | 329.95%            | \$415,948,332              | \$3,539,741                   | \$11,891,716                          | \$2,983,597                    | \$556,144           |  |
| 12 2017                          | \$650,709,058           | 6.69%                 | 358.72%            | \$456,759,243              | \$3,887,044                   | \$14,319,552                          | \$3,276,334                    | \$610,710           |  |
| 13 2018                          | \$716,122,694           | 10.05%                | 404.84%            | \$522,172,879              | \$4,443,717                   | \$16,988,333                          | \$3,745,546                    | \$698,171           |  |
| 14 2019                          | \$777,194,534           | 8.53%                 | 447.89%            | \$583,244,719              | \$4,963,442                   | \$19,854,597                          | \$4,183,614                    | \$779,827           |  |
| 15 2020                          | \$854,755,912           | 9.98%                 | 502.57%            | \$660,806,097              | \$5,623,493                   | \$22,977,123                          | \$4,739,962                    | \$883,531           |  |
| 16 2021                          | \$920,268,664           | 7.66%                 | 548.75%            | \$726,318,849              | \$6,181,010                   | \$26,277,215                          | \$5,209,885                    | \$971,125           |  |
| 17 2022                          | \$1,075,424,878         | 16.86%                | 658.13%            | \$881,475,063              | \$7,501,397                   | \$30,128,231                          | \$6,322,821                    | \$1,178,576         |  |
| 18 2023                          | \$1,170,174,292         | 8.81%                 | 724.93%            | \$976,224,477              | \$8,307,719                   | \$34,229,155                          | \$7,002,458                    | \$1,305,261         |  |
| 19 2024                          | \$1,202,726,907         | 2.78%                 | 747.87%            | \$1,008,777,092            | \$8,584,743                   | \$38,303,839                          | \$7,235,958                    | \$1,348,785         |  |
| 20 2025                          | \$1,314,999,838         | 9.33%                 | 827.02%            | \$1,121,050,023            | \$9,540,192                   | \$42,657,858                          | \$8,041,292                    | \$1,498,900         |  |
| 21 2026                          | \$1,349,724,836         | 2.64%                 | 851.50%            | \$1,155,775,021            | \$9,835,703                   | \$46,974,095                          | \$8,290,374                    | \$1,545,329         |  |
| 22 2027                          | \$1,439,570,708         | 6.66%                 | 914.84%            | \$1,245,620,893            | \$10,600,296                  | \$51,446,947                          | \$8,934,839                    | \$1,665,457         |  |
| <b>Total (2006 - 2027)</b>       |                         |                       |                    |                            | <b>\$95,888,188</b>           | <b>\$51,446,947</b>                   | <b>\$80,835,031</b>            | <b>\$15,053,157</b> |  |
| <b>2006 NPV @ 4%</b>             |                         |                       |                    |                            | <b>\$51,446,947</b>           | <b>-</b>                              | <b>\$43,374,067</b>            | <b>\$8,072,880</b>  |  |

# Appendix 5: Market Center/Stemmons Sub-District Increment Chart

| PROJECTED TIF INCREMENT SCHEDULE |                         |                       |                    |                            |                               |                                       |                                |                     |                     |
|----------------------------------|-------------------------|-----------------------|--------------------|----------------------------|-------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------|
| Tax Year                         | Property Value Estimate | Property Value Growth | Comp. Value Growth | Anticipated Captured Value | Anticipated Increment Revenue | Anticipated Accumulated Revenue (NPV) | Tax Increment Revenue into TIF |                     |                     |
|                                  |                         |                       |                    |                            |                               |                                       | CITY @ 90%                     | COUNTY @ 55%        |                     |
| <b>Base</b>                      | <b>2013</b>             | \$85,835,470          |                    |                            |                               |                                       |                                |                     |                     |
| 1                                | 2014                    | \$112,794,957         | 31.41%             | 31.41%                     | \$26,959,487                  | \$229,427                             | \$220,602                      | \$193,380           | \$36,046            |
| 2                                | 2015                    | \$147,616,593         | 30.87%             | 71.98%                     | \$61,781,123                  | \$525,760                             | \$706,698                      | \$443,156           | \$82,604            |
| 3                                | 2016                    | \$218,812,680         | 48.23%             | 154.92%                    | \$132,977,210                 | \$1,131,643                           | \$1,712,724                    | \$953,846           | \$177,797           |
| 4                                | 2017                    | \$308,398,886         | 40.94%             | 259.29%                    | \$222,563,416                 | \$1,894,026                           | \$3,331,745                    | \$1,596,447         | \$297,578           |
| 5                                | 2018                    | \$313,024,869         | 1.50%              | 264.68%                    | \$227,189,399                 | \$1,933,393                           | \$4,920,853                    | \$1,629,630         | \$303,764           |
| 6                                | 2019                    | \$379,512,448         | 21.24%             | 342.14%                    | \$293,676,978                 | \$2,499,206                           | \$6,896,012                    | \$2,106,545         | \$392,661           |
| 7                                | 2020                    | \$436,121,913         | 14.92%             | 408.09%                    | \$350,286,443                 | \$2,980,955                           | \$9,161,293                    | \$2,512,605         | \$468,350           |
| 8                                | 2021                    | \$442,663,742         | 1.50%              | 415.71%                    | \$356,828,272                 | \$3,036,626                           | \$11,380,126                   | \$2,559,529         | \$477,097           |
| 9                                | 2022                    | \$449,303,698         | 1.50%              | 423.45%                    | \$363,468,228                 | \$3,093,133                           | \$13,553,320                   | \$2,607,158         | \$485,975           |
| 10                               | 2023                    | \$492,651,535         | 9.65%              | 473.95%                    | \$406,816,065                 | \$3,462,025                           | \$15,892,140                   | \$2,918,092         | \$543,933           |
| 11                               | 2024                    | \$500,041,308         | 1.50%              | 482.56%                    | \$414,205,838                 | \$3,524,912                           | \$18,181,856                   | \$2,971,098         | \$553,814           |
| 12                               | 2025                    | \$556,645,133         | 11.32%             | 548.50%                    | \$470,809,663                 | \$4,006,614                           | \$20,684,375                   | \$3,377,118         | \$629,496           |
| 13                               | 2026                    | \$564,994,810         | 1.50%              | 558.23%                    | \$479,159,340                 | \$4,077,670                           | \$23,133,318                   | \$3,437,010         | \$640,660           |
| 14                               | 2027                    | \$573,469,732         | 1.50%              | 568.10%                    | \$487,634,262                 | \$4,149,792                           | \$25,529,719                   | \$3,497,801         | \$651,991           |
| <b>Total (2013 - 2027)</b>       |                         |                       |                    |                            |                               | <b>\$36,545,182</b>                   | <b>\$25,529,719</b>            | <b>\$30,803,414</b> | <b>\$5,741,768</b>  |
| <b>2013 NPV @ 4%</b>             |                         |                       |                    |                            |                               |                                       | <b>\$25,529,719</b>            | <b>-</b>            | <b>\$21,518,637</b> |
|                                  |                         |                       |                    |                            |                               |                                       |                                | <b>\$4,011,082</b>  |                     |

**Note:** The base value will be revised when final 2013 tax roll figures are available for the expanded boundary and pending any litigation or tax roll corrections in the District. The City will monitor property with different base years separately. Taxable values may vary by taxing jurisdiction due to different exemption levels.

## Appendix 6: Dallas Proton Treatment Center, LLC

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- Dallas Proton Treatment Center, LLC was formed by members of Advanced Particle Therapy and Signet Enterprises. The development team includes:
  - J. Jason Perry, Vice-President
  - Bruce Wise, Project Manager
- Representative experience includes the Scripps Proton Therapy Center in San Diego, CA., Maryland Cancer Treatment Center in Baltimore, MD., and Georgia Proton Treatment Center in Atlanta, GA.

# Memorandum



DATE August 30, 2013

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

SUBJECT **Liberty State Bank Building Preservation Project – City Center TIF District**

On Tuesday, September 3, 2013 the Economic Development Committee will be briefed on the Liberty State Bank Building Preservation Project – City Center TIF District.

Briefing material is attached.

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



Ryan S. Evans  
Interim First Assistant City Manager

C: A.C. Gonzalez, Interim City Manager  
Rosa Rios, City Secretary  
Thomas P. Perkins Jr., City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge Municipal Court  
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Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager-Council Office

**Liberty State Bank Preservation Project**  
*City Center TIF District*

Economic Development Committee  
September 3, 2013

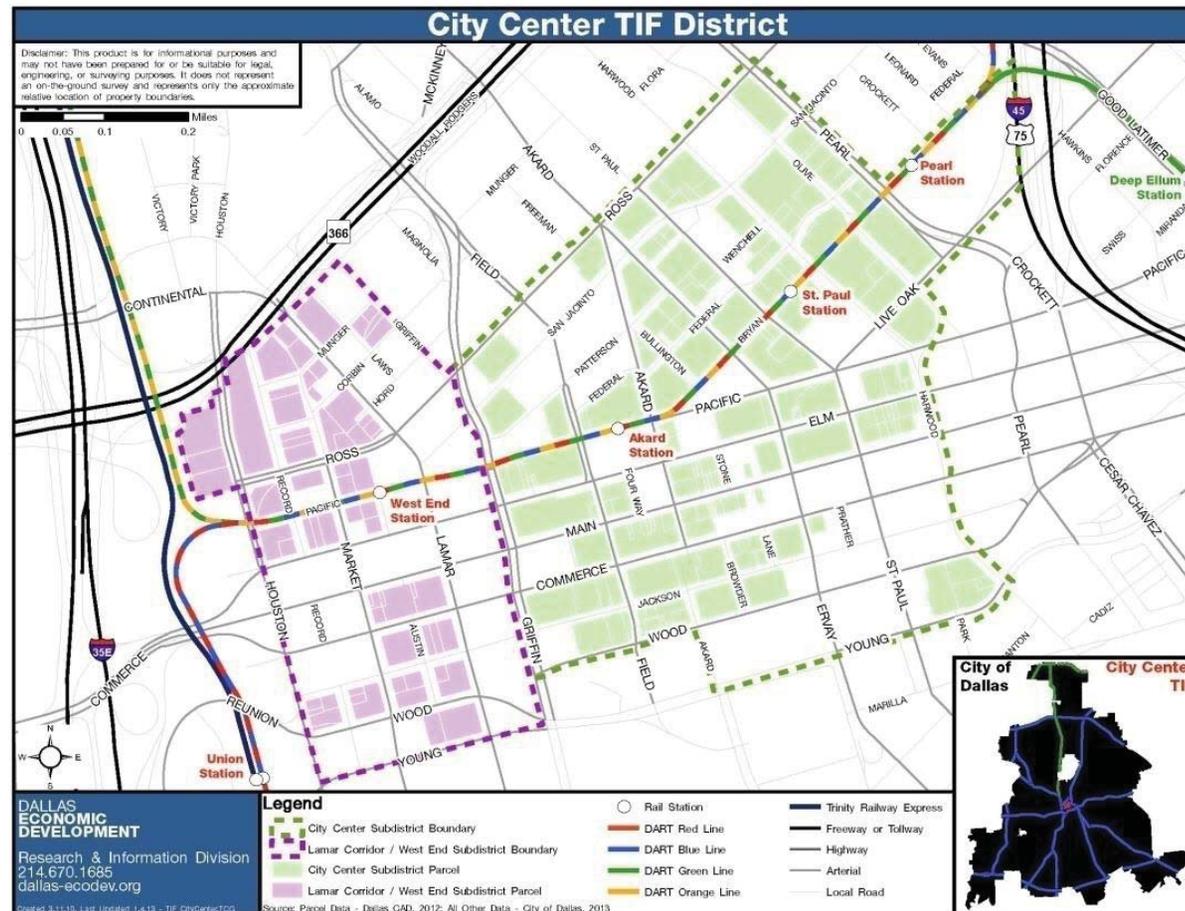
# Purpose

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- Provide background information on City Center TIF District
- Review the Liberty State Bank Preservation Project
- Obtain Economic Development Committee's approval for consideration of the project by City Council on September 11, 2013

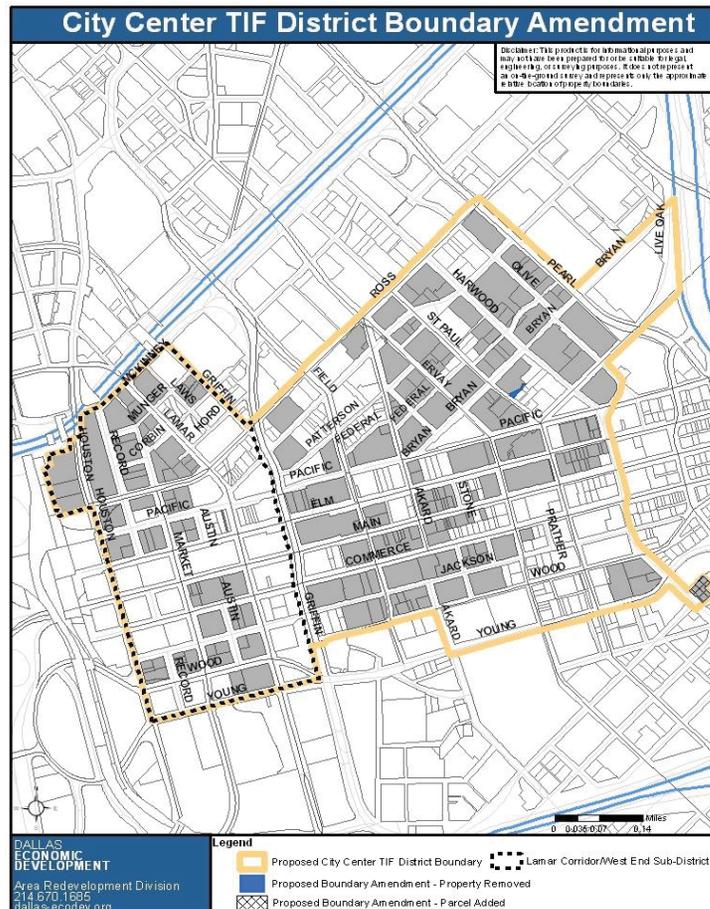
# City Center TIF District Background

- Created in 1996, but was amended December 2012 to extend the term of the original district and create a Lamar Corridor/West End Sub-district



# City Center TIF District Background

- Boundary of the TIF District will be expanded to include the parcel that will be redeveloped as part of the Liberty State Bank Preservation Project



# City Center TIF District

## *Liberty State Bank Building*

- Constructed 1899
- 2-story building
- To be demolished, along with two other buildings, by City as part of the César Chavez widening project
- Purchased from City by Preserve Liberty, LLC to be relocated and renovated

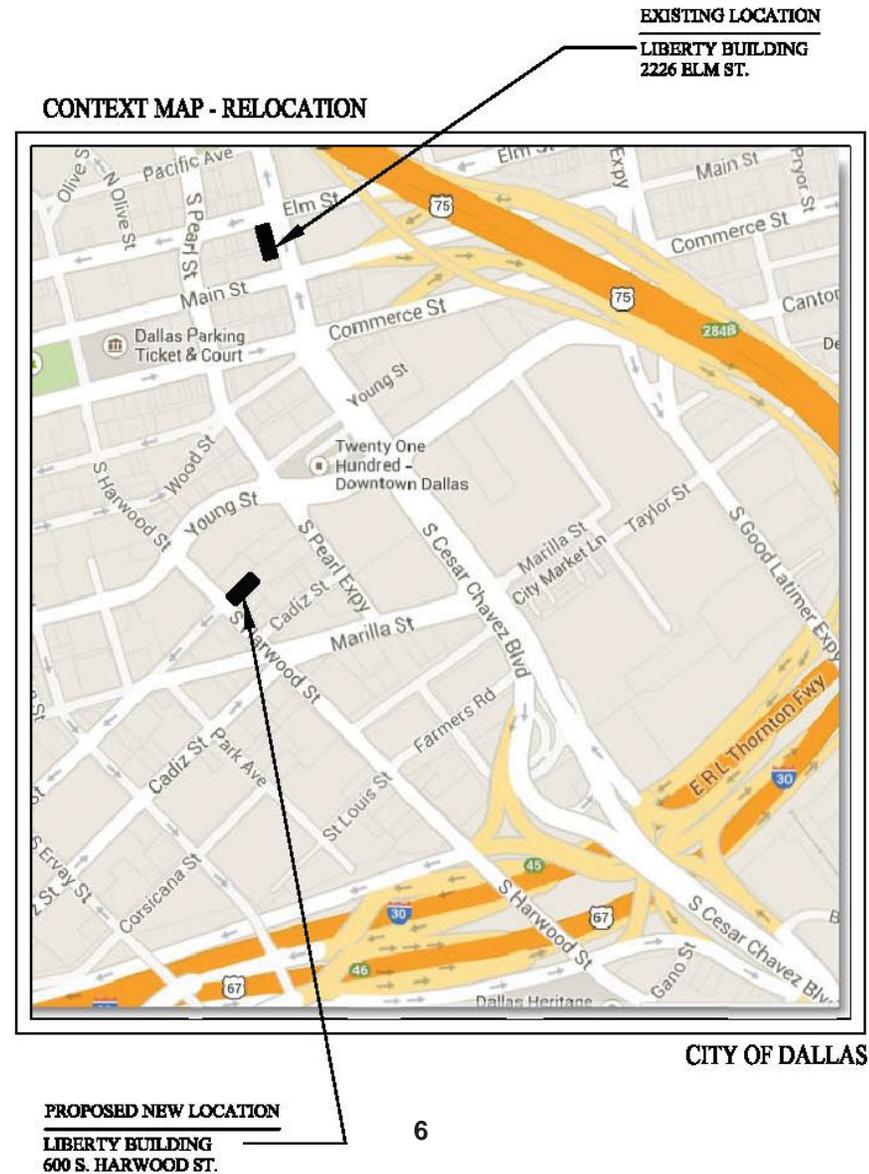


HISTORIC PHOTO



EXISTING PHOTO

# Liberty State Bank *Project Relocation*



# Liberty State Bank Preservation

## *Project Description*

- Relocation of the Liberty State Bank building to the Farmers Market Area
- Demolition of the middle building
- Disassemble and storage of the third building's façade (for future phase of development)
- 4,000 sf of ground floor retail and second level office space
- 1,000 square feet of plaza/multi-use space
- **Project Cost: \$2,520,800**
- **Project Start Date: December 31, 2013**
- **Project Completion Date: December 31, 2014**



# Liberty State Bank Preservation *Project Design*

- On August 23, 2013 Urban Design Peer Review Panel revised the project's design and approved recommendations that are reflected in the project's design



# Liberty State Building Preservation

## *Project Funding Sources and Uses*

| <b>Funding Sources</b> | <b>Amount</b>      | <b>Uses</b>                       |
|------------------------|--------------------|-----------------------------------|
| Private Equity         | \$768,300          | Land Value Contributed to Project |
| 2006 Bond Funds        | \$50,000           | Demolition Costs                  |
| Construction Loan      | \$1,702,500        | Construction, Relocation          |
| <b>Total</b>           | <b>\$2,520,800</b> |                                   |

# Liberty Bank Building Preservation

## *Proposed TIF Funding*

- Majority of Funds proposed will reimburse building relocation and façade restoration costs
- The Liberty Bank Building Preservation project would not occur, but for TIF funding

| TIF Budget - Liberty State Bank Preservation Project |                  |
|--|------------------|
| <b>Public Infrastructure Improvements</b>            |                  |
| Streetscape  | \$45,000         |
| Design Costs   | \$2,250          |
| Contingency  | \$2,250          |
| <b>Sub-Total</b>                                     | <b>\$49,500</b>  |
| <b>Redevelopment/Development Projects</b>            |                  |
| Demolition (includes building relocation costs)      | \$455,000        |
| Environmental Remediation                            | \$40,000         |
| Historic Façade Restoration                          | \$286,500        |
| Design/Consulting Costs                              | \$15,630         |
| Contingency  | \$138,370        |
| <b>Sub-Total</b>                                     | <b>\$935,500</b> |
| <b>Total</b>   | <b>\$985,000</b> |

# Liberty State Bank Preservation

## *TIF Board Funding Recommendation*

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- On August 29, 2013, the City Center TIF District Board of Directors reviewed and approved TIF funding for the Liberty State Bank Preservation project in an amount not to exceed \$985,000

# Liberty State Bank Preservation

## *Conditions of TIF Funding*

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- Minimum project investment of \$1,647,500 for the Project (acquisition, construction and construction related soft costs).

The term “Invest” or “Investment” means the sum of all acquisition costs, construction costs (hard and soft) paid, payable or actually incurred by or on behalf of the Owner, with respect to the Property and the improvements thereon. Construction related soft costs include the following items: architecture and engineering, interior design, building relocation, remediation and demolition. Carrying or other similar costs shall not be considered toward this definition of project investment. The owner must provide verification of all expenditures.

- Redevelopment of the Project shall include:
  - Minimum 4,000 square feet of retail/restaurant/commercial/residential space
  - Exterior plaza/retail/multi-use area of a minimum of 1,000 square feet
- Obtain a building permit and start construction for the Project by December 31, 2013;
- Obtain a Certificate of Occupancy (CO) for the Project by December 31, 2014;

# Liberty State Bank Preservation

## *Conditions of TIF Funding (Continued)*

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- 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, 2014 and submit documentation to the Office of Economic Development (the “OED”);
- Execute an Operating and Maintenance agreement for public infrastructure improvements associated with the Project the sooner of project completion or December 31, 2014, for a period of 20 years;
- A minimum of 25% of the total net leasable square footage of non-residential space, with a minimum of at least 50% of ground floor space must be occupied prior to TIF Reimbursement;
- The Project shall be managed by a management company acceptable to the Director of the OED, such approval not being unreasonably withheld;
- If necessary, the project deadline can be extended up to 6 months, subject to the Office of Economic Development Director’s and City Center TIF District Board of Director’s approval;

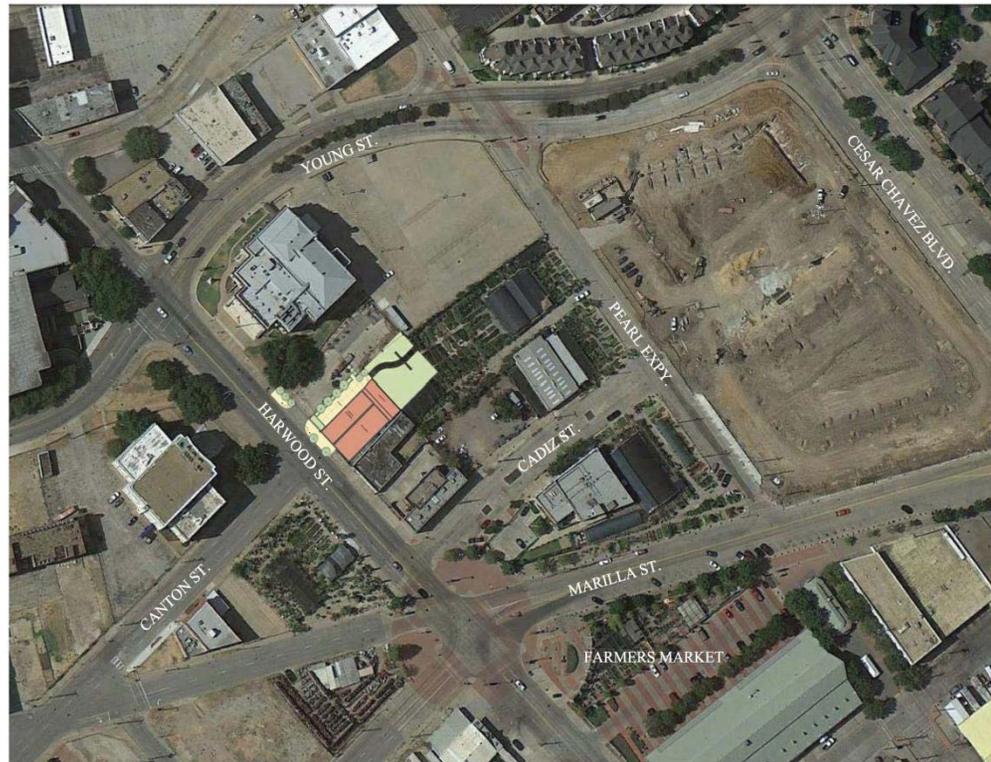
# Liberty State Bank Preservation

## *Conditions of TIF Funding (Continued)*

- Prior to City Council consideration, project design review by an independent group of design, engineering, and/or planning professionals selected by the Dallas City Manager is required for all City Center TIF District projects. The Project's design plans shall include:
  - A site plan showing the location of parcel boundaries clearly differentiating publically accessible space from private space.
  - A pedestrian lighting plan for the site using lighting acceptable to the City and spaced at approximately 75 feet unless otherwise required by the City's Public Works and Transportation Department. This lighting plan is required for all public and private streets included in the project.
  - A sidewalk plan for the project. Sidewalks with high anticipated levels of pedestrian traffic shall be designed to accommodate the traffic. The sidewalks shall have a minimum 7 foot walking zone and a minimum 3 foot landscaping and lighting zone, where possible. Landscaping and pedestrian lights shall be placed in the area closest to the back of curb for the length of the sidewalk. The plan shall show the location and type of all landscaping materials.
  - Elevations for all sides of the building visible from the public right of way, focusing on the ground floor.
- Signage plan for the building.

# Strategic Importance of Proposed Project

- Saves a 114 year old building from demolition, preserving one of Dallas' oldest surviving historic commercial buildings
- Begins to fill in holes along Harwood Street creating a better connection between the downtown core and Farmers Market Area



# Recommendation

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- Staff requests ECO Committee's approval of consideration of a development agreement with Preserve Liberty, LLC for TIF reimbursement not to exceed \$985,000 for the Liberty State Building Preservation project by City Council at their September 11, 2013 Council meeting.



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# APPENDICES

# Appendix A: Project Requirements/Other Information

| Liberty State Bank Preservation Project Facts                                 |                   |
|---|-------------------|
| Minimum Commercial Space  | 4000 s.f.         |
| Minimum Plaza Space   | 1,000 s.f.        |
| Required Private Investment – (acquisition, construction hard and soft costs) | Min. \$1,647,500  |
| Expected Total Project Cost   | \$2,520,800       |
| TIF Funding   | \$985,000         |
| % TIF funds to total project cost   | 39.07%            |
| Return on Cost without TIF  | 0.06%             |
| Return on Cost with TIF   | 1.00%             |
| Deadline to Obtain Building Permit  | December 31, 2013 |
| Deadline to Obtain Final CO   | December 31, 2014 |

# Appendix B: Liberty State Building Preservation *Project Proforma*

| Liberty State Bank Building Preservation Project Proforma |                      |                              |
|---|----------------------|------------------------------|
| City Center TIF District                                  |                      |                              |
| PROJECT DESCRIPTION:                                      | 600 S Harwood Street |                              |
| PROJECT TYPE:   | Commercial           |                              |
| CONSTRUCTION START DATE:                                  | December 31, 2013    |                              |
| PROJECT SCHEDULE:   | December 31, 2014    |                              |
| <b>Use Breakdown</b>                                      | <b>SF</b>            | <b>Total Leasable SF</b>     |
| Residential   | 0                    | 5,200                        |
| Commercial  | 5,200                |                              |
| Other   | 0                    |                              |
|   |                      | <b>Total Bldg SF (Gross)</b> |
|   |                      | 4,200                        |
| <b>Project Costs</b>                                      |                      |                              |
| Hard Cost   | \$1,522,500          |                              |
| Soft Cost (less Developer Fee)                            | \$190,000            |                              |
| Acquisition   | \$768,300            |                              |
| <b>Total Project Cost (without City \$)</b>               | <b>\$2,480,800</b>   |                              |
| Total Project Cost  | <b>\$2,480,800</b>   |                              |
| TIF Assistance  | <b>\$985,000</b>     |                              |
| <b>Net Cost to Developer</b> (after TIF reimbursement)    | <b>\$1,495,800</b>   |                              |
| <b>Return on Cost Analysis</b>                            |                      |                              |
| <b>NOI/Total Project Costs</b>                            |                      |                              |
| Return on Cost (without City \$)                          | <b>0.6%</b>          |                              |
| Return on Cost (with City \$)                             | <b>1.0%</b>          |                              |
| <b>Income</b>   |                      |                              |
| Commercial Revenue  | \$98,000             |                              |
| <b>Total Revenue</b>                                      | <b>\$98,000</b>      |                              |
| <b>Expenses</b>   |                      |                              |
| Operating Expense (Commercial)                            | (\$83,240)           |                              |
| <b>Total Expenses</b>                                     | <b>(\$83,240)</b>    |                              |
| <b>NOI</b>  | <b>\$14,760</b>      |                              |

# Appendix C: Liberty State Building Preservation

## *Development Team – Preserve Liberty, LLC*

- **Craig Melde** is a managing partner of Preserve Liberty, LLC. Mr. Melde is also an Architect and Senior Principal of ARCHITEXAS which he founded in 1978, an architectural firm which specializes in historic preservation and adaptive use of historic properties. Mr. Melde brings a wealth of experience and knowledge in all aspects of commercial real estate development. Many of the projects that have been successfully rehabilitated have been redevelopment projects for commercial developers. As a developer, Mr. Melde successfully redeveloped an existing historic building into a mixed use development which gives him unique experience in the redevelopment of historic properties. He oversees and coordinates the architectural department of the company as well as coordinating the communication with the city, state and federal organizations regarding zoning, entitlements, and redevelopment incentives.
- **Tanya Ragan** is a partner in Preserve Liberty, LLC. Ms. Ragan is President of Wildcat Management and has more than 15 years of experience in business development, client services, operations and management. Ms. Ragan has represented Fortune 500 clients with management re-structure, team building and category turnaround while working closely with management, board of directors, investors and business owners. She has built close professional relationships with her clients that spans 15+ years. Ms. Ragan started her own business in 2004 and has represented herself, partners and clients in business ventures that include real estate investment, commercial development, venture capital and oil & gas. Ms. Ragan has managed and grown her company's real estate and oil/gas program into a nine state territory. Over the past several years her company has worked closely with city, state and local representatives in both commercial and residential real estate development projects.

# Memorandum



DATE August 30, 2013

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

SUBJECT **Dallas Public Improvement Districts (PIDs) – Overview and Update**

On Tuesday, September 3, 2013, the Economic Development Committee will be briefed on the Dallas Public Improvement Districts (PIDs) – Overview and Update.

Briefing material is attached.

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



Ryan S. Evans  
Interim First Assistant City Manager

C: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
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J. Hammond Perot, Assistant Director, Office of Economic Development  
Elsa Cantu, Assistant to the City Manager-Council Office

# Dallas Public Improvement Districts (PIDs) Overview and Update

Economic Development Committee  
September 3, 2013

# Dallas PID Overview - Purpose

- Review PID governance, operating parameters, management and reporting.
- Provide the Economic Development Committee with a brief overview of the eleven PIDs including: 2013 Assessment Rates; and review of updated PID 2014 Service Plans.
- Request Economic Development Committee approval for Council action to approve 2013 Assessment Rate and adopt 2014 Service Plans for eleven PIDs.

*Note: The special purpose Tourism PID operates on a different fiscal year.*

# Dallas PID Overview – Current PIDs

- Dallas Downtown Improvement District
  - Deep Ellum Public Improvement District
  - Klyde Warren Park Public Improvement District
  - Knox Street Public Improvement District
  - South Side Public Improvement District
  - University Crossing Public Improvement District
  - Uptown Public Improvement District
  - Vickery Meadow Public Improvement District
  - Lake Highlands Public Improvement District
  - Oak Lawn-Hi Line Public Improvement District
  - Prestonwood Public Improvement District
- &
- Tourism Public Improvement District

# Dallas PID Policy – Governance

- PIDs are governed by state law and specifically by the City of Dallas PID Policy (originally adopted in December 2005 and last amended on October 28, 2009).
- Individual PIDs are governed by property owner elected boards and managed by a specifically formed non-profit organization or homeowners' association.
- State law requires that City Council annually adopt an updated PID Service Plan, hold a public hearing and set the PID assessment rate for each district for the upcoming year.

# Dallas PID Policy – Creation/Operating Parameters

- To create a PID, property owners petition the City Council to adopt a special assessment on all property within PID boundaries for the purpose of improving services and infrastructure within the PID boundaries.
- In new and renewing PIDs, the City requires that Owners representing at least 60% of the value and 60% of all record Owners or 60% of land area support the creation of a new or renewing PID.
- In Single-Family PIDs, the City requires that Owners representing at least 66.7% of the value and 66.7% of all record Owners or 66.7% of land area support the creation of a new PID. A single-family district is defined as areas with a minimum of 30% of land area dedicated to detached single-family housing in established areas (defined as at least 80% of all single-family lots being developed).

# Dallas PID Policy – Creation/Operating Parameters (cont.)

- In Dallas, PIDs are authorized for a period of five (5) to seven (7) years with the option of renewal. The renewal process requires preparing a budget, service plan and assessment plan for the district and having the same property owner petition the City to renew the PID.
- A PID application for creating or renewing a PID shall include a section that clearly identifies the benefit of the PID to the affected property owners and to the city as a whole, an assessment plan, and also evidence of insurance.
- PID applications include a map and a legal or clear description of the property included in the District.

# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- PIDs are required to be self-sufficient and not adversely impact ordinary service delivery of the City.
- PIDs in Dallas will be allowed to fund any item provided by state law.
- Most of the PIDs are in mixed-use districts but the PID policy allows for the establishment of PIDs in residential districts like Prestonwood.
- The PID Policy does NOT allow the creation of PID Districts in undeveloped subdivisions.

# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- PID assessments will be based on a set rate applied to total property value. The maximum PID assessment in Dallas shall be \$0.15 per \$100 valuation.
- The assessment rate for the Tourism PID is unique – it is based on 2% of hotel room nights sold.
- PID petitions for new or renewing districts will be due on April 1st annually for approval by October 1st. Signatures for PID petitions must be gathered between October 1 and April 1 prior to the submission of the petition.

# Dallas PID Policy – Creation/Operating Parameters (cont.)

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- Administrative expenses, including costs for day to day City Staff administration, for a PID are limited to 15% of the total budget in any year.
- A PID Service Plan shall contain procedures for the termination of the PID without imposing unintended costs on the City of Dallas.
- A PID cannot be dissolved without a petition from property owners and must be sufficient as for creation or renewal in accordance with Chapter 372, Section 372.005(b).

# Dallas PID Policy Management and Reporting

---

All PID management entities are required to:

- Submit quarterly reports on activities, expenditures and M/WBE participation
- Have an independent audit annually
- Hold an annual open meeting with at least two weeks prior notice to all property owners for input on the service plan (budget)
- Allow City representatives to attend regular board meetings

# Dallas PID Policy – City Staff PID Oversight Cost

**Beginning in 2012, City Staff's PID oversight cost will be charged to the PIDs (October 1, 2012 to September 30, 2013):**

- Costs related to the annual Assessment Rate and Service Plan approval process:
  - Public hearing notice printing, stuffing, postage and mailing to the property owners in the PID.
  - Staff time for City Council items preparation
  - Public hearing notice publication cost in the Dallas Morning News. For example, in 2012, the publication cost for each PID was \$1,492 (subject to change).
  - Chapter 372.016, section b and c: The assessment notice must be published in a newspaper of general circulation before the 10th day of the public hearing and mailed to the property owners
- Cost of PID oversight (including City staff time for attending meetings, reviewing reports, preparing tax rolls, etc.)

This allows the PID monitoring process to be budget neutral for the City.

# Dallas PID Policy – City Staff PID Oversight Cost (cont.)

**PID oversight cost (staff time, publication cost etc.,) for each PID for FY 2012 (October 1, 2011 to September 30, 2012):**

- Deep Ellum PID \$3,754
- DID \$9,158
- Knox Street \$2,833
- Lake Highlands \$5,319
- Oak Lawn \$2,610
- Prestonwood \$8,473
- Southside \$6,700
- Uptown \$15,000 renewal cost + \$6,158 City expenses
- Vickery Meadow \$8,912

| PIDs           | Dallas Morning News publication cost | Estimated City staff administrative expenses October 1, 2011 to September 30, 2012 | Accounts | Mailing cost | Total estimated cost (October 1, 2011 to September 30, 2012 ) |
|----------------|--------------------------------------|--|----------|--------------|---|
| Deep Ellum PID | \$1,492                              | \$1,453  | 428      | \$381        | \$3,754   |
| DID            | \$1,492                              | \$4,060  | 1,908    | \$1,698      | \$9,158   |
| Knox           | \$1,492                              | \$1,230  | 59       | \$53         | \$2,833   |
| Lake Highlands | \$1,492                              | \$1,971  | 982      | \$874        | \$5,319   |
| Oak Law n      | \$1,492                              | \$1,025  | 49       | \$44         | \$2,610   |
| Prestonw ood   | \$1,492                              | \$3,032  | 3,032    | \$918        | \$8,473   |
| Southside      | \$1,492                              | \$4,957  | 133      | \$118        | \$6,700   |
| Uptow n        | \$1,492                              | \$14,940   | 2,501    | \$2,226      | \$21,158  |
| Vickery Meadow | \$1,492                              | \$2,797  | 2,446    | \$2,177      | \$8,912   |
|                |                                      |  |          |              | <b>\$68,918</b>   |

# Dallas PID Overview – Valuation/Assessment Rates

- Property value changes in the PID districts varied from last year.
- Property values in all the PIDs has increased over last year.

| PID Name                | % Change in property valuation |
|-------------------------|--------------------------------|
| Deep Ellum PID          | New boundary                   |
| DID                     | 3.4%                           |
| Klyde Warren Park       | New PID                        |
| Knox Street PID         | 4.4%                           |
| Lake Highlands PID      | 12.4%                          |
| Oak Lawn-Hi Line PID    | 33.1%                          |
| Prestonwood PID         | 3.1%                           |
| Southside PID           | 12.3%                          |
| University Crossing PID | New PID                        |
| Uptown PID              | 11.7%                          |
| Vickery Meadow          | 0.2%                           |

# Dallas PID Overview – Valuation/Assessment Rates

- PID assessment rates:
  - First assessment rate for the two new PIDs (Klyde Warren Park PID and University Crossing PID).
  - Seven PIDs will keep the same assessment rate as last year.
  - Prestonwood PID assessment rate will decrease from \$0.0900 per \$100 of appraisal value in 2012 to \$0.0800 in 2012, a 11% decrease from prior year (property value increase).
  - DID assessment rate will increase from \$0.01190 in 2012 to \$0.01290 in 2013, 8% increase from prior year (support downtown circulator).
- The nine PIDs will collect an estimated \$10.1 million in assessment revenue to provide a range of enhanced services and improvements next year that the City would not otherwise fund due to limited City resources.

# Dallas PID Overview – Miscellaneous

- Expiration dates based on date of formation or last renewal.
- Number of property owners range from a low of 45 (Oak Lawn-Hi Line) to 2,193 (Uptown).
- Many Service Plan budgets focus on public safety. Other common budget line items include: parks, infrastructure improvements and business promotion/marketing.
- Dallas Downtown Improvement District (DID) is the only PID where City owned properties are assessed. The City agreed to the assessment based on benefits received by the many City owned facilities in the downtown area.

# DID – City Owned Property

- For each City owned property, an assessment is paid based on its market value.
- The operator of the Omni Convention Center Hotel is responsible for the DID assessment payments:
  - 2011: \$184,719
  - 2012: \$253,709
  - 2013: \$280,550

|             |                  |
|-------------|------------------|
| 2003        | \$176,000        |
| 2004        | \$191,976        |
| 2005        | \$194,411        |
| 2006        | \$209,500        |
| 2007        | \$278,000        |
| 2008        | \$745,522        |
| 2009        | \$628,776        |
| 2010        | \$575,906        |
| 2011        | \$578,576        |
| 2012        | \$579,427        |
| <b>2013</b> | <b>\$562,608</b> |

# DID – City Owned Property (cont.)

## DID benefits to the City:

### ➤ Services/improvements:

- DPD supplemental security services
- Homeless court/case management
- Trash collection and public area maintenance
- Median improvements, landscaping, tree replacement
- Banners and holiday tree lighting
- Leadership to help address issues such as loitering, parking, and retail recruitment; coordination with DPD; the Downtown 360 Plan; trolley planning; marketing; and signage/wayfinding.

### ➤ Direct benefits to the City from the DID exceed the cumulative assessment paid by 3:1.

# Dallas PID Overview – District Comparison Chart

|   | Deep Ellum        | Downtown          | Klyde Warren Park | Knox Street       | Lake Highlands    | Oak Lawn Hi-Line  |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expiration</b>                         | December 31, 2020 | December 31, 2020 | December 31, 2020 | December 31, 2017 | December 31, 2015 | December 31, 2016 |
| <b>Accounts</b>                           | 700               | 1,775             | 583               | 59                | 970               | 45                |
| <b>Total Value</b>                        | \$226,331,890     | \$4,242,832,610   | \$2,577,734,210   | \$125,452,770     | \$207,419,660     | \$177,769,610     |
| <b>2013 Assessment</b>                    | \$271,598         | \$5,473,254       | \$644,434         | \$188,179         | \$269,646         | \$266,654         |
| <b>Change in value (2012 to 2013)</b>     | *new boundary     | 3.4%              | * new PID         | 4.4%              | 12.4%             | 34.1%             |
| <b>Standard Assessment Rate per \$100</b> | 0.12              | 0.1290            | 0.025             | 0.15              | 0.13              | 0.15              |
| <b>Proposed Budget</b>                    | \$279,500         | \$5,852,215       | \$606,444         | \$183,679         | \$260,762         | \$300,121         |

Note: Total assessment values are based on properties assessed in the PIDs.

# Dallas PID Overview – District Comparison Chart

|   | Prestonwood       | South Side        | Uptown            | University Crossing | Vickery Meadow    |
|---|-------------------|-------------------|-------------------|---------------------|-------------------|
| <b>Expiration</b>                         | December 31, 2018 | December 31, 2019 | December 31, 2019 | December 31, 2020   | December 31, 2015 |
| <b>Accounts</b>                           | 1,032             | 134               | 2,193             | 251                 | 2,104             |
| <b>Total Value</b>                        | \$357,366,690     | \$85,085,290      | \$3,405,031,790   | \$576,647,400       | \$728,558,110     |
| <b>2013 Assessment</b>                    | \$285,893         | \$119,647         | \$1,532,264       | \$576,647           | \$513,378         |
| <b>Change in value (2012 to 2013)</b>     | 3.1%              | 12.3%             | 11.7%             | *new PID            | 0.2%              |
| <b>Premium Assessment Rate per \$100</b>  | N/A               | 0.15              | N/A               | N/A                 | 0.10              |
| <b>Standard Assessment Rate per \$100</b> | 0.0800            | 0.12              | 0.045             | 0.10                | 0.05              |
| <b>Proposed Budget</b>                    | \$316,386         | \$113,150         | \$1,566,143       | \$563,000           | \$505,488         |

Note: Total assessment values are based on properties assessed in the PIDs.

# Recommended Next Steps

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Economic Development Committee  
Recommendation for Council approval of:

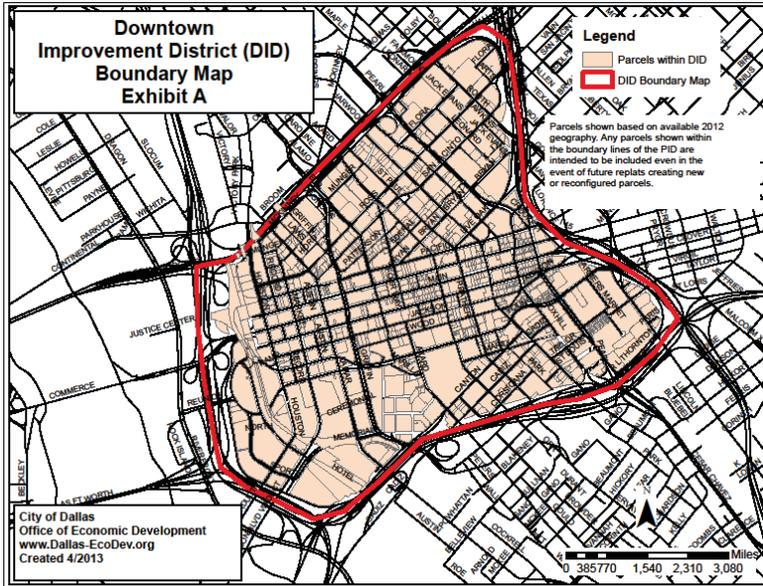
- ✓ Hold public hearing on September 11, 2013 and at close of hearing set 2013 Assessment Rate and adopt 2014 Service Plan for the eleven PIDs.

# Appendix 1

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# Public Improvement Districts Summary

# Dallas Downtown Improvement District (DID) - Annual Plan Summary



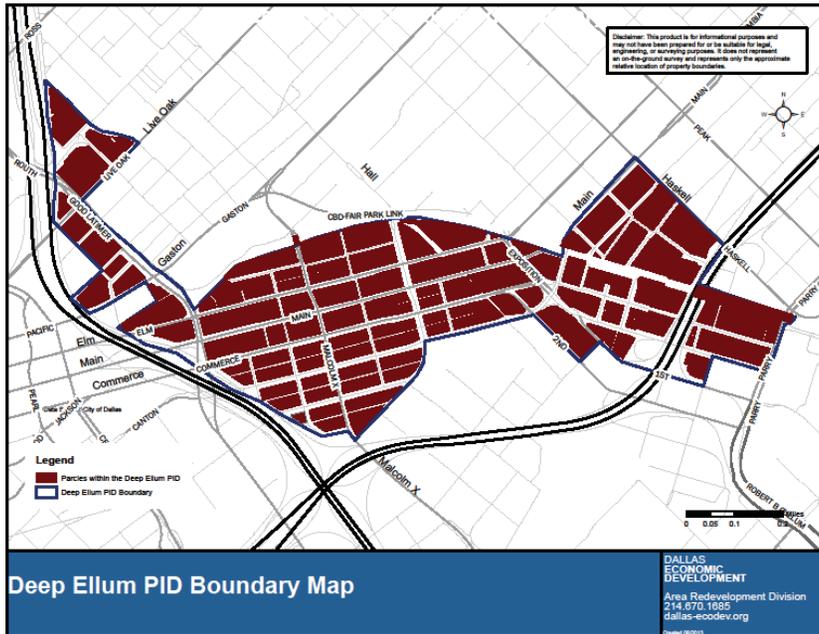
## Major Services Provided:

- DID was renewed recently on June 12, 2013 for seven years, starts operating from January 1, 2014.
- Public Improvements, landscape and parks.
- Downtown circulator, operation and maintenance of mass transportation facilities.
- Special supplemental service for promotion and improvement of the DID, including, entertainment and events, and retail recruitment.

|                                    |                        |     |
|------------------------------------|------------------------|-----|
|                                    | <b>Downtown</b>        |     |
| Expiration                         | 12-31-2020             |     |
| Accounts                           | 1775                   |     |
| Total Value                        | \$4,242,832,610        |     |
| 2013 Assessment                    | \$5,473,254            |     |
| Change in value (2012 to 2013)     | 3.4%                   |     |
| Premium Assessment Rate per \$100  |                        |     |
| Standard Assessment Rate per \$100 | 0.1290                 |     |
| Proposed Budget                    | \$5,852,215            |     |
| Budget Categories                  | Public Safety          | 44% |
|                                    | Capital Improvements   | 6%  |
|                                    | Transportation Impvmts | 6%  |
|                                    | Communication/Events   | 16% |
|                                    | Administration         | 9%  |
|                                    | Services & impvmts     | 19% |

- Community programs, Clean Team, environmental enhancements and sanitation.
- Downtown Safety Patrol, Homeless outreach, education & coordination.

# Deep Ellum PID - Annual Plan Summary

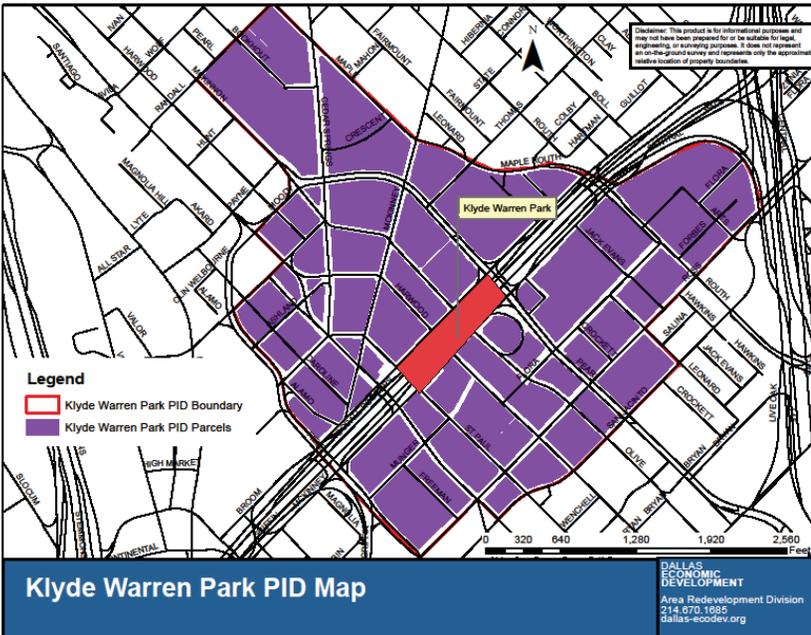


## Major Services Provided:

- Deep Ellum PID was renewed recently on August 14, 2013 for seven years, starts operating from January 1, 2014.
- Graffiti control, landscaping, park improvements, trash pickup and neighborhood improvements.
- Acquisition, construction, operation and maintenance of mass transportation facilities and wayfinding signage.
- Business development and recruitment to promote the District as the Deep Ellum Entertainment District .
- Marketing, website, and other promotional activities
- Distinctive lighting and signage

|  |                            |     |
|--|----------------------------|-----|
|  | <b>Deep Ellum</b>          |     |
| Expiration                                     | 12-31-2020                 |     |
| Accounts                                       | 700                        |     |
| Total Value                                    | \$226,331,890              |     |
| 2013 Assessment Change in value (2012 to 2013) | \$271,598<br>*new boundary |     |
| Premium Assessment Rate per \$100              |                            |     |
| Standard Assessment Rate per \$100             | 0.12                       |     |
| Proposed Budget                                | \$279,500                  |     |
| Budget Categories                              | Impvmnts.,                 | 22% |
|  | Business Dev & Recruitment | 8%  |
|  | Transportation Impvmnts    | 8%  |
|  | Marketing & Promotion      | 38% |
|  | Audit/Insurance            | 8%  |
|  | Administration             | 11% |
|  | Public Safety              | 5%  |

# Klyde Warren Park PID - Annual Plan Summary



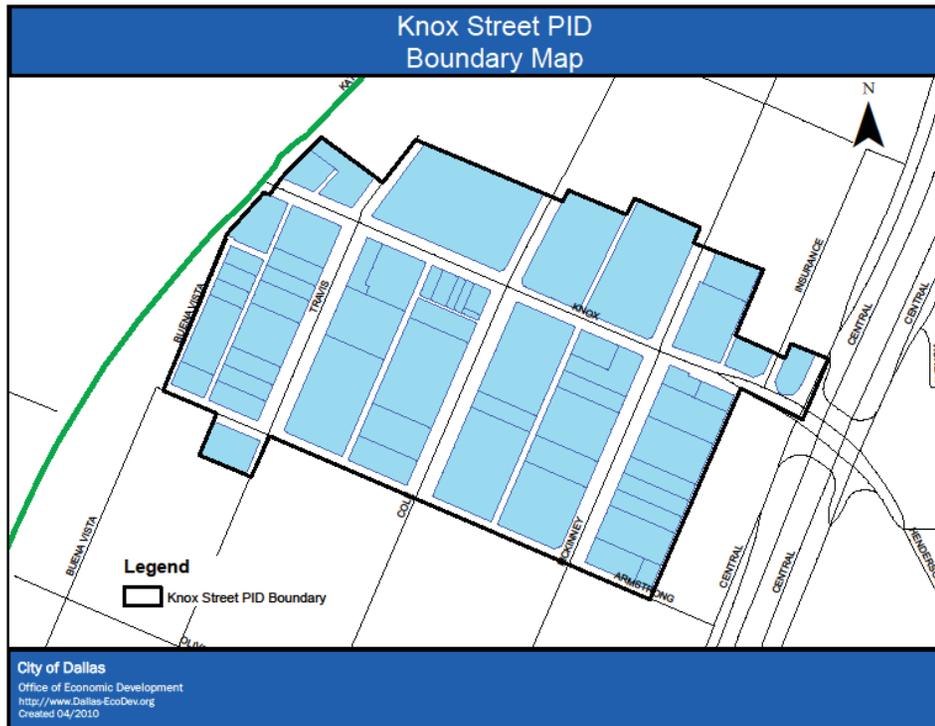
## Major Service Provided:

- Security in Klyde Warren Park (KWP)
- Trash pickup, general cleaning, graffiti control and KWP improvements
- Pavement (sidewalk) detail cleaning, staining and restoration
- Partial cost of European and Christmas Markets, programming activities
- Partial cost of promoting the district, PR, advertising, free Wi-Fi, website and Kiosk

| Klyde Warren Park                              |  |
|--|--|
| Expiration                                     | 12-31-2020                             |
| Accounts                                       | 583                                    |
| Total Value                                    | \$2,577,734,210                        |
| 2013 Assessment Change in value (2012 to 2013) | \$644,434<br>* new PID                 |
| Premium Assessment Rate per \$100              |  |
| Standard Assessment Rate per \$100             | 0.025                                  |
| Proposed Budget                                | \$606,444                              |
| Budget Categories                              | Public Safety 48%                      |
|  | Sanitation, paver impvmts 29%          |
|  | Landscape impvmts, lighting 8%         |
|  | General impvmts & Cultural programs 3% |
|  | Administration 1%                      |
|  | Marketing & Promotion 8%               |
|  | Audit/Insurance 3%                     |

Klyde Warren Park PID is a new PID, starts operating from January 1, 2014 (created on August 14, 2013).

# Knox Street Improvement District - Annual Plan Summary

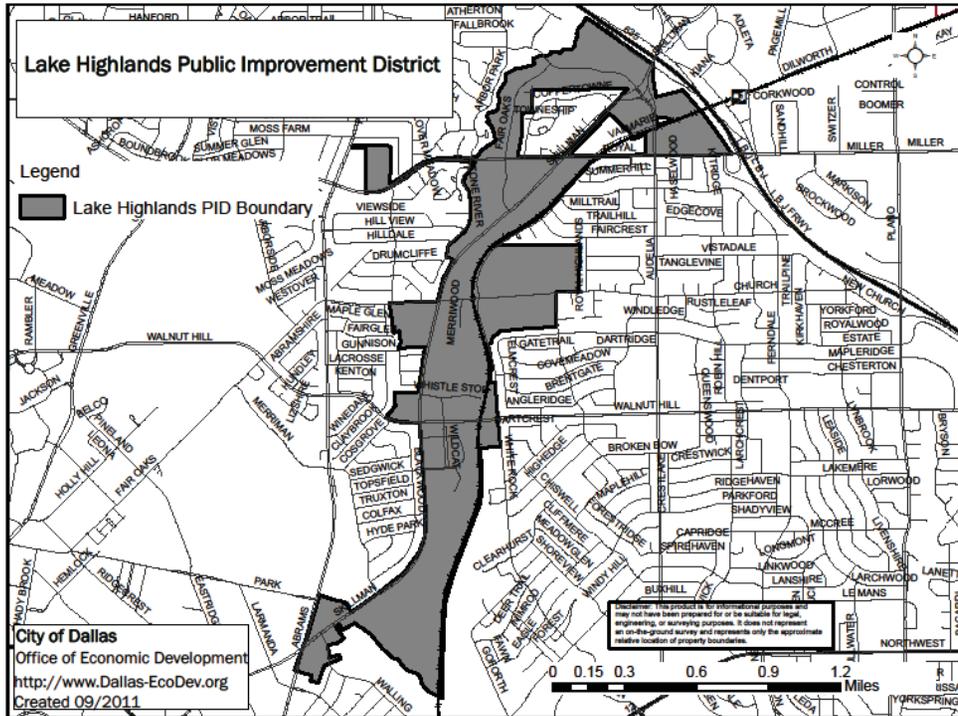


### Major Service Provided:

- Primary purpose is to enhance aesthetics of the area by enhancing the pedestrian lighting, maintaining sidewalks.
- Promote this area as an attractive retail destination.
- Enhance security

|                                    |  | <b>Knox Street</b>   |     |
|------------------------------------|--|--|-----|
| Expiration                         |  | 12-31-2017   |     |
| Accounts                           |  | 59   |     |
| Total Value                        |  | \$125,452,770  |     |
| 2013 Assessment                    |  | \$188,179  |     |
| Change in value (2012 to 2013)     |  | 4.4%   |     |
| Premium Assessment Rate per \$100  |  |  |     |
| Standard Assessment Rate per \$100 |  | 0.15   |     |
| Proposed Budget                    |  | \$183,679  |     |
| Budget Categories                  |  | Public Safety  | 13% |
|                                    |  | Capital Improvements *   | 54% |
|                                    |  | Marketing/Promotion  | 28% |
|                                    |  | Administration   | 5%  |
|                                    |  | *Funding for capital improvements category includes gateway signage and streetscape improvements |     |

# Lake Highlands PID – Annual Plan Summary

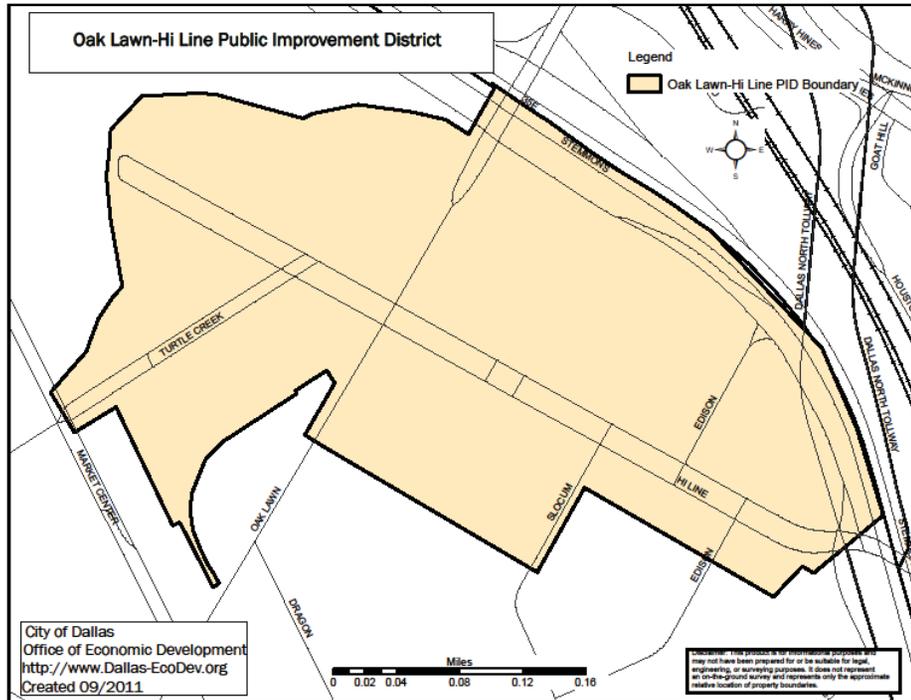


**Major Service Provided:**

- Enhance Security
- Landscape Enhancement & Maintenance
- Graffiti removal

|  |                       |     |
|--|-----------------------|-----|
|  | <b>Lake Highlands</b> |     |
| Expiration                                     | 12-31-2015            |     |
| Accounts                                       | 970                   |     |
| Total Value                                    | \$207,419,660         |     |
| 2013 Assessment Change in value (2012 to 2013) | \$269,646<br>12.4%    |     |
| Premium Assessment Rate per \$100              |                       |     |
| Standard Assessment Rate per \$100             | 0.13                  |     |
| Proposed Budget                                | \$260,762             |     |
| Budget Categories                              | Public Safety         | 53% |
|  | Improvements          | 24% |
|  | Promotion             | 6%  |
|  | Audit/Insurance       | 7%  |
|  | Administration        | 10% |
|  |                       |     |
|  |                       |     |

# Oak Lawn-Hi Line PID – Annual Plan Summary

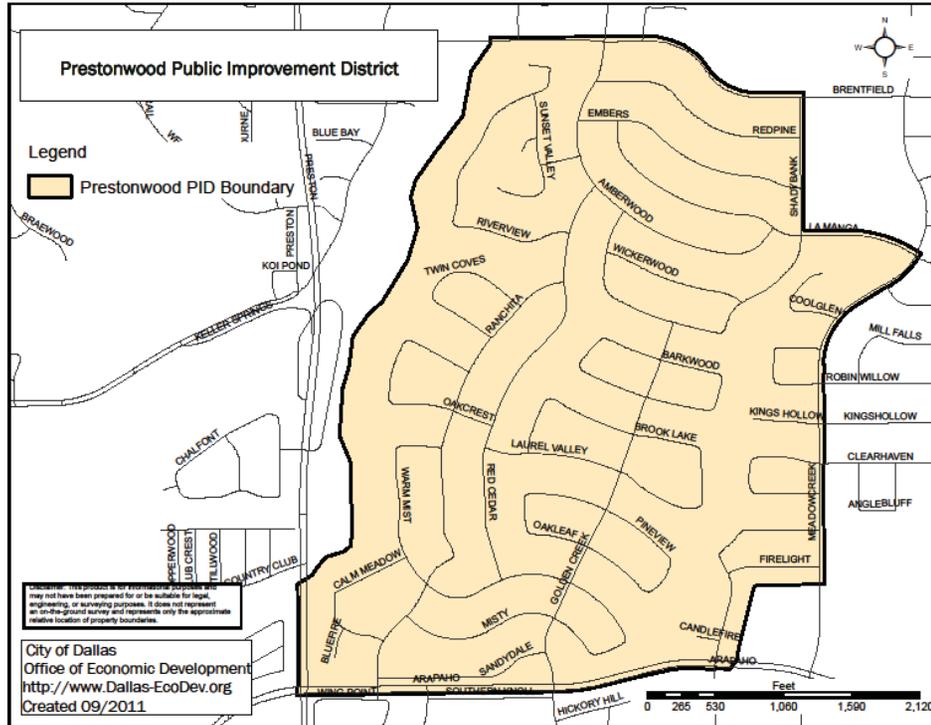


Major Service Provided:

- Enhanced public safety/security
- Promotion of District
- Maintain enhanced public improvements
- Litter & Graffiti removal
- Landscape Enhancement & Maintenance

|   |                         |     |
|---|-------------------------|-----|
|   | <b>Oak Lawn-Hi Line</b> |     |
| Expiration                                | 12-31-2016              |     |
| Accounts                                  | 45                      |     |
| Total Value                               | \$177,769,610           |     |
| Assessment Change in value (2012 to 2013) | \$266,654<br>34.1%      |     |
| Premium Assessment Rate per \$100         |                         |     |
| Standard Assessment Rate per \$100        | 0.15                    |     |
| Proposed Budget                           | \$300,121               |     |
| Budget Categories                         | Public Safety           | 40% |
|   | Improvements            | 45% |
|   | Promotion               | 0%  |
|   | Audit/Insurance         | 6%  |
|   | Administration          | 9%  |
|   |                         |     |

# Prestonwood PID – Annual Plan Summary

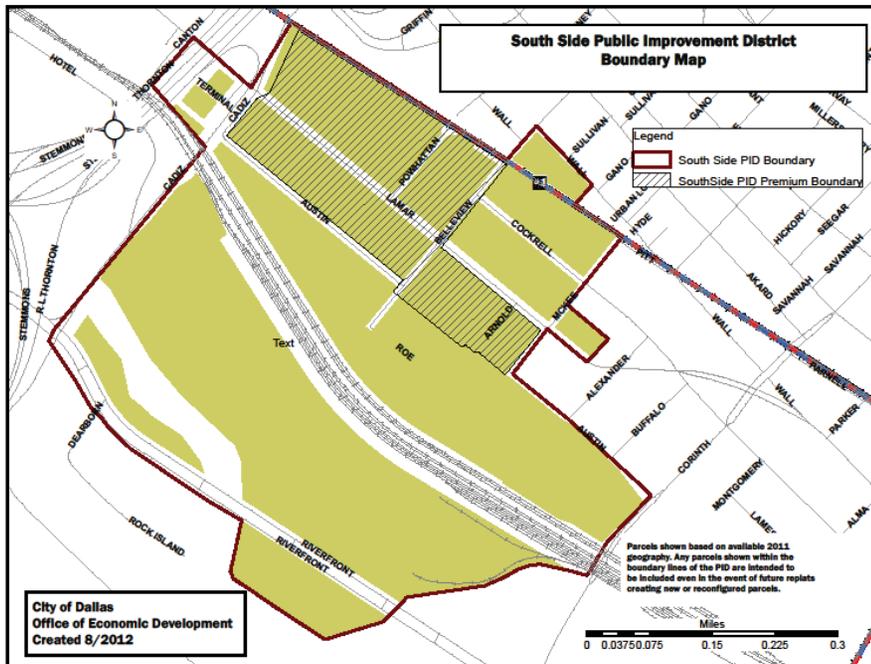


Major Service Provided:

- Primary purpose to enhance security
- 24/7 security patrols

|                                    |                    |     |
|------------------------------------|--------------------|-----|
|                                    | <b>Prestonwood</b> |     |
| Expiration                         | 12-31-2018         |     |
| Accounts                           | 1032               |     |
| Total Value                        | \$357,366,690      |     |
| Assessment                         | \$285,893          |     |
| Change in value (2012 to 2013)     | 3.1%               |     |
| Premium Assessment Rate per \$100  |                    |     |
| Standard Assessment Rate per \$100 | 0.0800             |     |
| Proposed Budget                    | \$316,386          |     |
| Budget Categories                  | Public Safety      | 90% |
|                                    | Administration     | 3%  |
|                                    | Audit/Insurance    | 7%  |
|                                    |                    |     |
|                                    |                    |     |
|                                    |                    |     |

# South Side PID – Annual Plan Summary

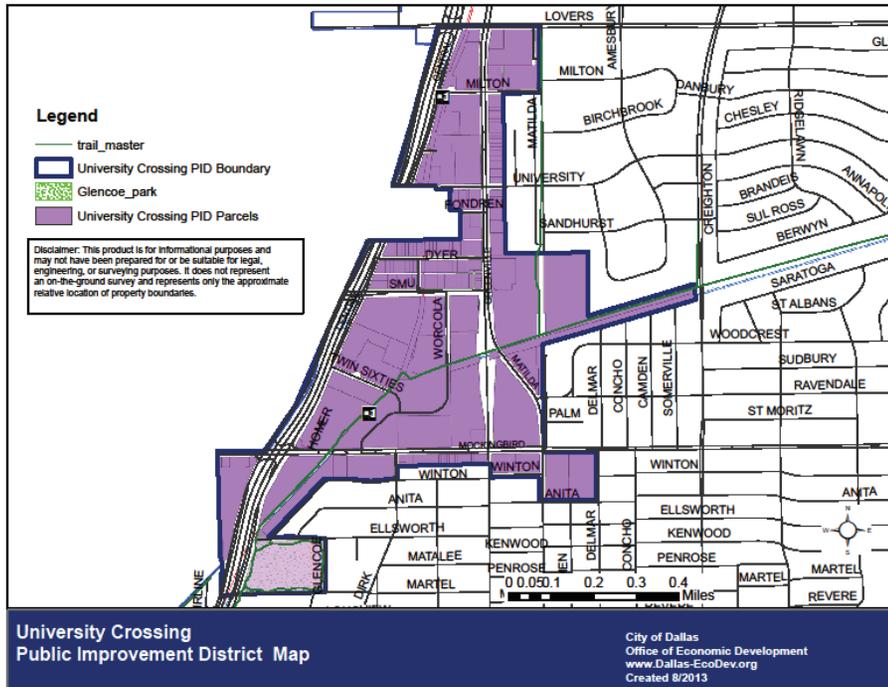


Major Service Provided:

- 54% of budget for public courtesy patrol for the 100 acre district
- New business recruitment
- Bark Park improvements.

|                                    |                        |
|------------------------------------|------------------------|
| <b>South Side</b>                  |                        |
| Expiration                         | 12-31-2019             |
| Accounts                           | 134                    |
| Total Value                        | \$85,085,290           |
| Assessment                         | \$119,647              |
| Change in value (2012 to 2013)     | 12.3%                  |
| Premium Assessment Rate per \$100  | 0.15                   |
| Standard Assessment Rate per \$100 | 0.12                   |
| Proposed Budget                    | \$113,150              |
| Budget Categories                  | Safety & Security 54%  |
|                                    | Improvements 22%       |
|                                    | Business Promotion 12% |
|                                    | Cultural events 4%     |
|                                    | Administration 1%      |
|                                    | Audit 5%               |
|                                    | Insurance 2%           |

# University Crossing PID – Annual Plan Summary



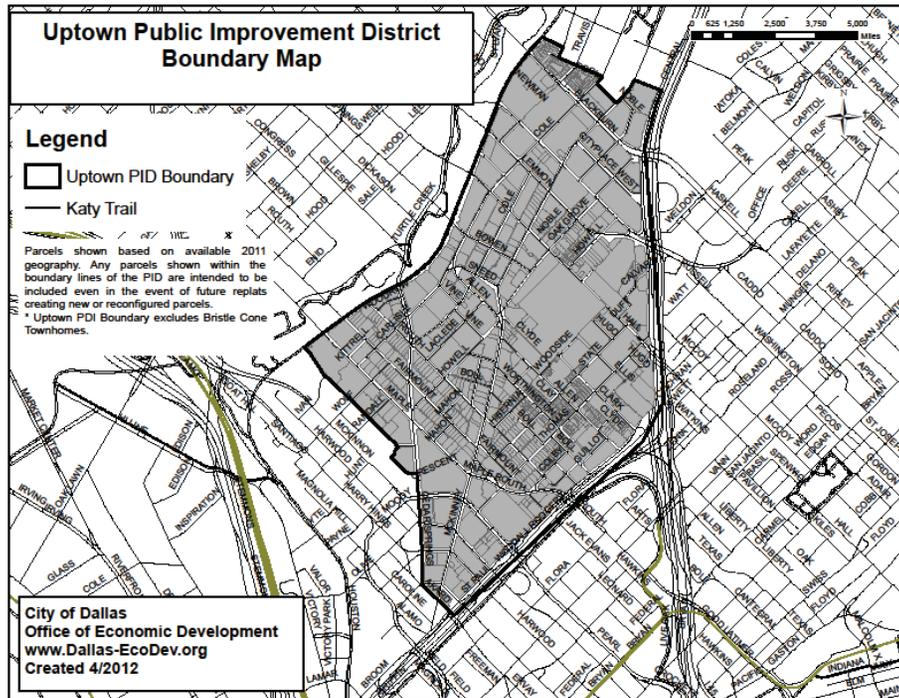
### Major Service Provided:

- Police patrol of the University Crossing area, owner safety coordination, etc.
- Public Improvements, landscape, parks and pedestrian amenities for the PID.
- Sidewalk, public planters, waste disposal, clean area programs, and landscape maintenance throughout the University Crossing area expenses.

|   |                            |     |
|---|----------------------------|-----|
|   | <b>University Crossing</b> |     |
| Expiration                                | 12-31-2020                 |     |
| Accounts                                  | 251                        |     |
| Total Value                               | \$576,647,400              |     |
| Assessment Change in value (2012 to 2013) | *new PID                   |     |
| Premium Assessment Rate per \$100         |                            |     |
| Standard Assessment Rate per \$100        | 0.10                       |     |
| Proposed Budget                           | \$563,000                  |     |
| Budget Categories                         | Security                   | 35% |
|   | Improvements               | 13% |
|   | Public Area Impvmts.,      | 20% |
|   | Promotion                  | 8%  |
|   | Audit/Insurance            | 4%  |
|   | Administration             | 13% |
|   | creation                   | 7%  |

University Crossing PID is a new PID, starts operating from January 1, 2014 (created on June 12, 2013).

# Uptown PID - Annual Plan Summary



## Major Service Provided:

- Landscaping, tree care, street & sidewalk sweeping, trash cans & graffiti removal
- Off-duty police, trolley operations, marketing and promotion.
- Gateway markers, walking trails- Katy Trail improvements, parks improvements.

|                                    |   |     |
|------------------------------------|---|-----|
|                                    | <b>Uptown</b>                           |     |
| Expiration                         | 12-31-2019                              |     |
| Accounts                           | 2193                                    |     |
| Total Value                        | \$3,405,031,790                         |     |
| Assessment                         | \$1,532,264                             |     |
| Change in value (2012 to 2013)     | 11.7%                                   |     |
| Premium Assessment Rate per \$100  |   |     |
| Standard Assessment Rate per \$100 | 0.045                                   |     |
| Proposed Budget                    | \$1,566,143                             |     |
| Budget Categories                  | Services (incl safety) & Promotion      | 34% |
|                                    | Capital Improvements                    | 29% |
|                                    | Landscape Improvements                  | 18% |
|                                    | Contingency and Reserve for Griggs Park | 7%  |
|                                    | Administration                          | 12% |
|                                    |   |     |
|                                    |   |     |



# Appendix 2 - PID Assessment Rates by PID since 2000

| Public Improvement Districts – Overview 2013 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |                 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Assessment rate per \$100                    |        |        |        |        |        |        |        |        |        |        |        |        |        |        |                 |
|  | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   | 2007   | 2006   | 2005   | 2004   | 2003   | 2002   | 2001   | 2000   | Proposed Budget |
| Deep Ellum                                   | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 |        | \$279,500       |
| Downtown Premium                             | 0.1290 | 0.1190 | 0.1190 | 0.1190 | 0.1190 | 0.1190 | 0.1190 | 0.1070 | 0.1070 | 0.0953 | 0.0936 | 0.0707 | 0.0657 | 0.0715 | \$5,852,215     |
| Downtown Standard                            |        |        |        |        |        |        |        |        | 0.0700 | 0.0635 | 0.0619 | 0.0468 | 0.0420 | 0.0430 |                 |
| Klyde Warren Park                            | 0.0250 |        |        |        |        |        |        |        |        |        |        |        |        |        | \$606,444       |
| Knox Street                                  | 0.1500 | 0.1500 | 0.1500 | 0.1500 |        |        |        |        |        |        |        |        |        |        | \$183,679       |
| Lake Highlands                               | 0.1300 | 0.1300 | 0.1300 | 0.1300 | 0.1300 | 0.1300 |        |        |        |        |        |        |        |        | \$260,762       |
| Oak Lawn-Hi Line                             | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 |        |        |        |        |        |        |        |        |        | \$300,121       |
| Prestonwood                                  | 0.0800 | 0.0900 | 0.0950 | 0.0870 | 0.0790 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0890 | 0.0890 | 0.0788 | 0.0900 | 0.1075 | \$316,386       |
| South Side Premium                           | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 |        |        |        |        |        | \$113,150       |
| South Side Standard                          | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 |        |        |        |        |        |                 |
| University Crossing                          | 0.0100 |        |        |        |        |        |        |        |        |        |        |        |        |        | \$563,000       |
| Uptown Premium                               | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0450 | 0.0600 | 0.0700 | \$1,566,143     |
| Uptown Standard                              |        |        |        |        |        |        |        |        |        |        |        |        | 0.0235 | 0.0024 |                 |
| Vickery Meadow Prem.                         | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | \$505,488       |
| Vickery Meadow Stand.                        | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |                 |

Note: The PID maps included in the briefing are for informational purposes only 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.

# Memorandum



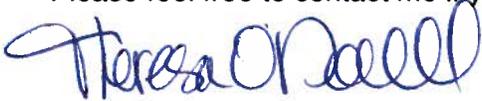
DATE August 30, 2013

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

SUBJECT **Adoption of the 2012 International Construction Codes**

On Tuesday, September 3, 2013, the Economic Development Council Committee will be briefed on the proposed adoption of the 2012 International Construction Codes. The Building Inspection Advisory, Examining and Appeals Board Committee recommended adoption of the codes and amendments on July 8, 2013. The material is attached for your review.

Please feel free to contact me if you need additional information.



Theresa O'Donnell  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Ryan S. Evans, Interim First Assistant City Manager  
Thomas P. Perkins, Jr., City Attorney  
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Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Edward Scott, City Controller  
Frank Libro, Public Information Officer  
David Cossum, Interim Director, Sustainable Development and Construction  
Karl Zavitkovsky, Director, Economic Development  
Elsa Cantu, Assistant to the City Manager – Council Office

# Adoption of the 2012 International Construction Codes

Economic Development Committee  
September 3, 2013

# Purpose

- ▶ Adoption of the 2012 International Construction Codes includes the following:
  - 2012 International Plumbing Code
  - 2012 International Mechanical Code
  - 2012 International Fuel Gas Code
  - 2012 International Residential Code
  - 2012 International Building Code

# Background

- ▶ Code Adoptions and Recommendations
  - Construction codes are written by national and international model code development organizations, with opportunity for input from building and fire officials, the construction industry and building material suppliers.
  - Codes are then reviewed by regional entities such as the North Central Texas Council of Governments who have committees for that purpose made up of local construction industry representatives and city and county building, fire and health officials.
  - The codes are then adopted by the municipalities with regional and local amendments.

# Background

- ▶ Code Adoptions and Recommendations
  - The North Central Texas Council of Governments (NCTCOG) has recommended approval and adoption, with regional amendments.
  - The Building Inspection Advisory, Examining and Appeals Board reviewed and recommended adoption on July 8, 2013.
    - The board is made up of architects, engineers, and contractors in various specialties and construction trades.

# 2012 IPC – Dallas Plumbing Code

## ▶ International Code Council (ICC) Changes

- Uniformity with other “I” codes
- Definitions and refined explanations to code requirements
- Recognize new waterproof materials to be used as shower floors
- Identification of all Non-Potable water lines
- Indirect waste connection of Food Service plumbing fixtures

## ▶ NCTCOG Amendments

- Access strengthened to Attic/Roof installation of appliances or water heaters
- Ladder must have minimum 300 lbs. capacity
- Walkway must be rated as a floor
- Results – added safety to service personnel/owners

# 2012 IPC – Dallas Plumbing Code

## ▶ Dallas Amendments

### ◦ Grease Interceptor / Trap Sizing

- Allow the design professionals to size interceptors based upon the anticipated conditions of use as required by the code
- Allow the design professionals to use nationally accepted sizing criteria for grease exposure as allowed by code
- Reason: Improved cost efficient installation, use and long term maintenance for restaurateur

# 2012 IPC – Dallas Plumbing Code

- Water Reuse Systems
  - Expanded code to include other forms of water reuse
    - Condensate water collection
    - Rinse Water reuse
    - Car Wash reuse
    - Cooling Tower reuse
    - Recognize Rain Water harvesting for irrigation use, etc.
    - Gray water systems for flushing of water closets & urinals
  - Results
    - Comprehensive plumbing code utilizing nationally recognized water saving practices and technology
    - Cost savings to business owners, homeowners and the City of Dallas
    - Promote the “Green” concept of using alternative water sources

# 2012 IMC – Dallas Mechanical Code

## ▶ ICC Changes

- Enclosed Parking Garage ventilation systems can be operated automatically by carbon monoxide detectors
- Independent Exhaust System required
- Kitchen, bath, clothes dryer, etc. require independent ducts to the outside
- Criteria for Grease Reservoirs and openings into Grease Duct Systems
- Type I Commercial Kitchen Hood Exemption & Label requirements
- Minimum Ventilation of Nail Salons

# 2012 IMC – Dallas Mechanical Code

- ▶ NCTCOG Amendments
  - Strengthen Safety standards
    - Access to Attic/Roof installation of appliances or water heaters
      - Ladder must have minimum 300 lbs. capacity
      - Walkway must be rated as a floor
      - Results – added safety to service personnel/owners

# 2012 IFGC – Dallas Fuel Gas Code

## ▶ ICC Changes

- Clarification of Code language
- Uniformity with other “I” Codes

## ▶ NCTCOG Amendments

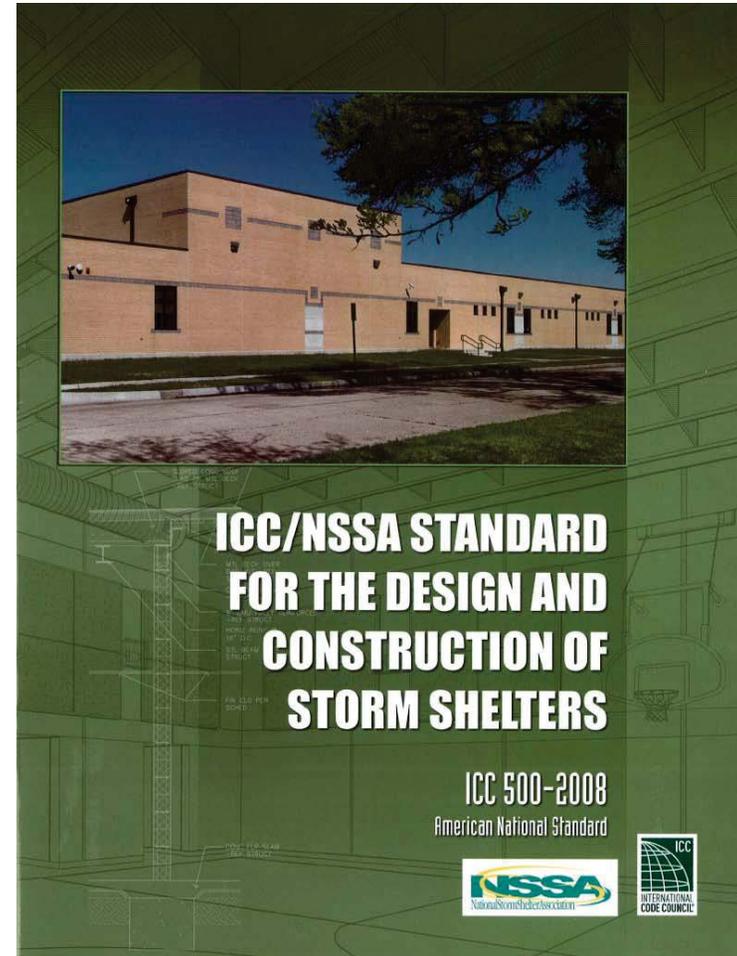
- Strengthen Safety standards
  - Access to Attic/Roof installation of appliances or water heaters
    - Ladder must have minimum 300 lbs. capacity
    - Walkway must be rated as a floor
    - Results – added safety to service personnel/owners

# 2012 IRC – Dallas One and Two Family Dwelling Code

## ▶ ICC Changes

### ◦ Storm Shelters

- Must comply with ICC and National Storm Shelter Association (NSSA) Standard
- The Standard ICC 500–2008 has provisions for shelters provided for residential uses or commercial/public uses.



# 2012 IRC – Dallas One and Two Family Dwelling Code

- Carbon Monoxide Alarms Required in Single-Family Homes
  - Reason: Unsafe carbon monoxide levels in the home are typically from faulty operation of fuel-fired appliances or automobile exhaust
- Recognize certain waterproof materials to be used as shower floors
- Simplified dryer exhaust requirements
- Recognition of Thermal and Photovoltaic Solar Energy Systems

# 2012 IRC – Dallas One and Two Family Dwelling Code

- ▶ NCTCOG Amendments
  - Strengthen Safety standards
    - Access to Attic/Roof installation of appliances or water heaters
      - Ladder must have minimum 300 lbs. capacity
      - Walkway must be rated as a floor
      - Results – added safety to service personnel/owners

# 2012 IRC – Dallas One and Two Family Dwelling Code

## ▶ Dallas Amendments

### ◦ Water Reuse Systems

- Expanded code to include other forms of water reuse such as:
  - Condensate Water Collection
  - Rinse Water
- Recognize Rain Water harvesting for irrigation use, etc.
- Gray water systems for flushing of water closets & urinals
- Results
  - Cost savings to homeowners and the City of Dallas
  - Promote the “Green” concept of using alternative water sources where possible

# 2012 IBC – Dallas Building Code

## ▶ ICC Changes

### ◦ Major Changes in High–Rise Provisions

- Emergency Responder Radio Coverage required
  - Reason: Reliability of portable radios used by emergency responders inside of buildings is a concern
- Smoke Removal Capability Required
  - Reason: Fire department must expel the smoke after the fire has occurred
- Additional Exit Stairway Required for Buildings more than 420 Feet in Height
  - Reason: Fire Department must take control of one stairway, the one most appropriate to the circumstances of the fire condition

# 2012 IBC – Dallas Building Code

- Major Changes in High–Rise Provisions (cont.)
  - Luminous Egress Marking Required
    - Reason: Increased visibility on stairways and exit passageways is important in emergency conditions
  - Protected Elevator Lobbies Required
    - Reason: Reduce potential for smoke to travel from the floor of fire origin to another floor through an elevator shaft enclosure
  - Two–Way Communication Systems Required in areas of Refuge
    - Reason: Offers a means of communication to disabled individuals needing assistance during an emergency situation

# 2012 IBC – Dallas Building Code

- Major Changes in High–Rise Provisions (cont.)
  - Fire Service Elevator Required
    - Reason: Facilitate the rapid deployment of fire fighters
  - Increased Structural Integrity Required for Buildings Classified in Risk Category IV or III
    - Risk Category IV – designated emergency shelters and designated emergency response facilities
    - Risk Category III – public assemblies with an occupant load greater than 300
- Enhanced Communications for Schools
  - Reason: School campus safety concerns during a lock down situation for kindergarten through 12<sup>th</sup>–grade students

# 2012 IBC – Dallas Building Code

## ▶ Dallas Amendments

- The Building Inspection Advisory, Examining and Appeals Board considered an amendment to address exterior solar reflectance
- Staff is recommending this issue be deferred for additional study
- Staff is working with interested stakeholders to establish a working group to consider this issue

# Proposed Ordinances

- ▶ Available for viewing at the Building Inspection Administration Office, Oak Cliff Municipal Center. Room 115 or the City Manager's Office, Dallas City Hall.

# Recommendation

- ▶ Recommend adoption of the 2012 International Codes and direct staff to report back to the committee on the reflectivity issue.

# Next Steps

- ▶ Schedule City Council action on adoption of the 2012 International Codes.

# Memorandum



DATE August 30, 2013

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

SUBJECT **Hillwood IPOD Development – September 25<sup>th</sup>, 2013 Council Agenda**

## Background

For the past several months, City staff has been in discussions with Hillwood Investment Properties (Hillwood) regarding a potential two-building distribution development to be located on land near the intersection of Bonnieview Road and Interstate-20 within the International Inland Port of Dallas (IIPOD). The proposed facilities would total approximately 1,100,000 square feet and be owned by a single asset entity known as Commerce 20 Development, LLC. Plans call for the first building to be approximately 650,805 square feet, and the second building to be approximately 488,560 square feet. Commerce 20 Development, LLC plans to invest approximately \$23,000,000 to construct both facilities.

Hillwood anticipates that construction of the first building will begin either in the fall of 2013 or spring of 2014 and be completed by the end of 2014. Construction of the second building is anticipated to begin in 2015 and be completed in 2016.

Hillwood is ranked as one of the top commercial real estate investors and developers in the country. The company's developments currently house facilities for more than 85 companies listed on the Fortune 500, Global 500 or Forbes List of Top Private Firms.

In order to develop this project, Hillwood requests council consideration of an economic development grant in the amount of \$745,000 and a 90 percent real property tax abatement for 10-years on the added value of the improvements. The proposed grant will be paid on or before December 31, 2014, upon verification of substantial completion of the first building consisting of at least 600,000 square feet. The grant funds will help offset costs associated with topographical and infrastructure improvements required to make the site developable.

In consideration of the tax abatements proposed, Commerce 20 Development, LLC will:

- 1.) Invest a minimum of \$14,500,000 in real property improvements and other related project costs such as design, engineering, architects, etc. for the first building in order for the first abatement to be approved and
- 2.) Invest a minimum of \$11,000,000 in real property improvements and other related project costs such as design, engineering, architects, etc. for the second building in order for the second abatement to be approved. Staff estimates that, for buildings of this size designed for this purpose, each

Hillwood IPOD Development  
August 30, 2013  
Page 2 of 2

building will eventually contain business personal property of approximately \$40,000,000 and result in at least 300 jobs.

The cumulative forgone revenue associated with both of the abatements is \$1,881,835. The ten-year net estimated fiscal impact of this project is \$2,434,233. Staff recommends the proposed incentives.

**OWNER**

**The Commerce 20 Development, LLC Co., Inc.**  
Dan Tatsch, Senior Vice President

**Staff**

J. Hammond Perot, Assistant Director, Office of Economic Development  
Christopher O'Brien, Sr. Coordinator, Office of Economic Development

**Recommendation**

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

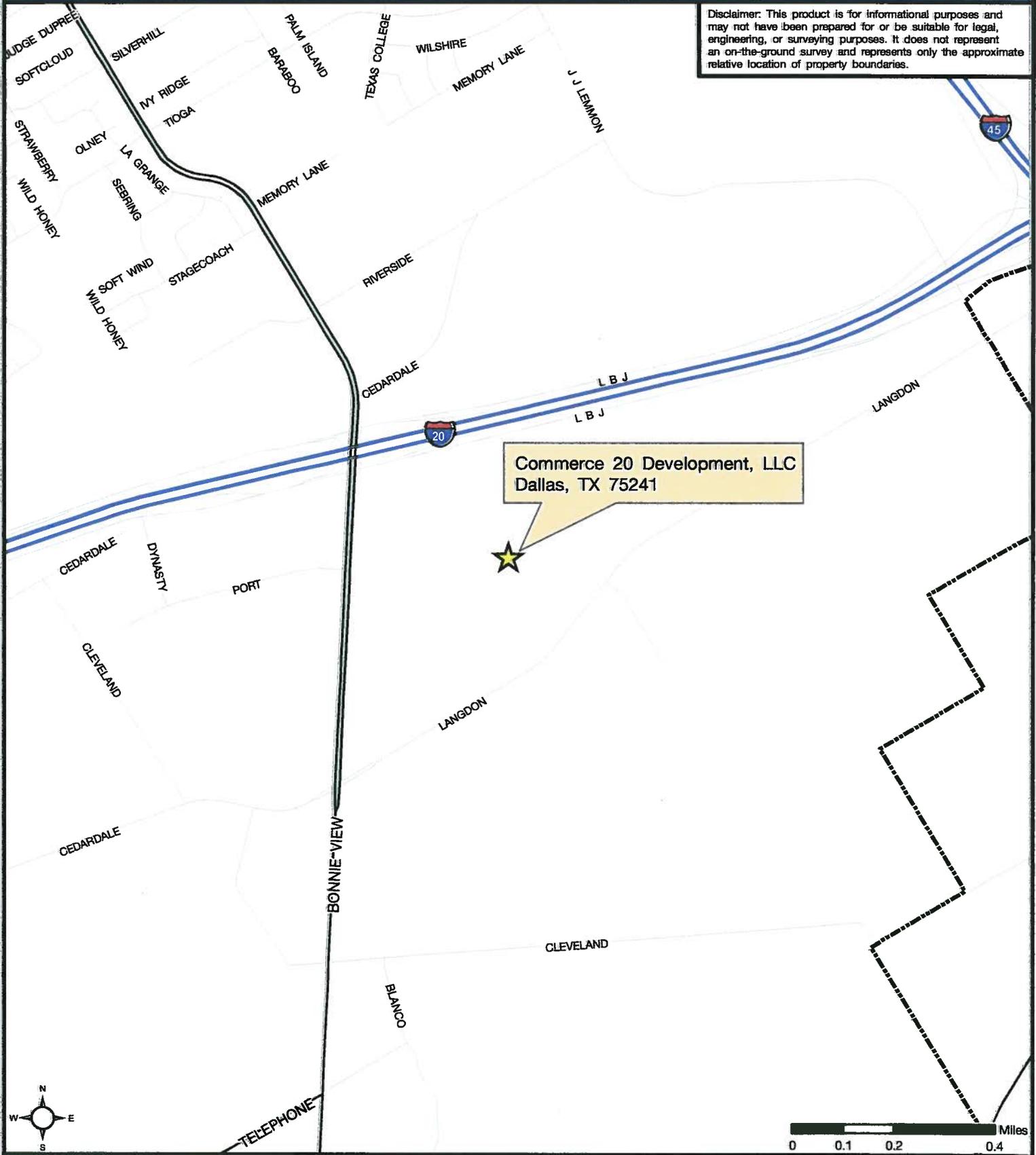


Ryan S. Evans  
Interim First Assistant City Manager

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

# Commerce 20 Development, LLC

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.



Commerce 20 Development, LLC  
Dallas, TX 75241

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

### Legend

- City of Dallas
- Freeway

- Arterial
- Local Road

Source: City of Dallas, 2013

Created: 8-29-13 13:08:28. Client: O'Brien TCG