

**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE  
DALLAS CITY COUNCIL COMMITTEE AGENDA**

RECEIVED

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CITY SECRETARY  
DALLAS, TEXAS

MONDAY, OCTOBER 15, 2018  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
9:00 A.M.-10:30 A.M.

**Chair**, Councilmember Tennell Atkins  
**Vice Chair**, Councilmember Rickey D. Callahan  
Councilmember Lee M. Kleinman  
Councilmember Scott Griggs  
Councilmember Casey Thomas, II  
Councilmember B. Adam McGough  
Councilmember Mark Clayton  
Councilmember Kevin Felder  
Councilmember Omar Narvaez

Call to Order

1. Approval of October 1, 2018 Minutes

2. **MEMO**

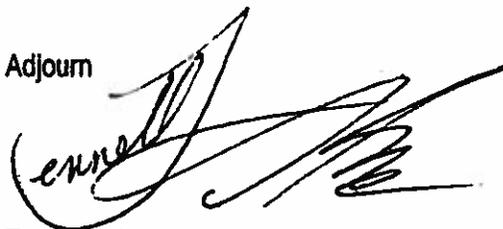
A. HUD Fair Housing Cooperative Grant

3. **UPCOMING AGENDA ITEM**

October 24, 2018

B. Development Agreement Amendments for the Drever (1401 Elm Street) TIF Project

Adjourn



Tennell Atkins, Chair  
Economic Development & Housing Committee

### EXECUTIVE SESSION NOTICE

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

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

### HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

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

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

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

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

# Economic Development & Housing Committee

## Meeting Record October 1, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

**Meeting Date:** October 1, 2018

**Meeting Start time:** 9:05 A.M.

<p><b>Committee Members Present:</b> Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Casey Thomas, II Councilmember Lee M. Kleinman Councilmember B. Adam McGough Councilmember Kevin Felder</p> <p><b>Other Council Members Present:</b></p> <p><b>Committee Members Absent:</b> Councilmember Scott Griggs Councilmember Mark Clayton Councilmember Omar Narvaez</p>	<p><b>Staff Present:</b> David Noguera, Director of Housing and Neighborhood Revitalization Maureen Milligan, Interim Assistant Director of Housing and Neighborhood Revitalization</p> <p><b>Other Presenters:</b> Bill Hall- Housing Policy Task Force Steering Committee-Chairman</p>
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**AGENDA:**

**Housing Committee Meeting Called to Order by CM Tennell Atkins**

1. **Approval of September 4, 2018 and September 17, 2018 Economic Development/Housing Committee Minutes**

**Presenter(s):** CM Tennell Atkins

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

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

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

2. **Housing Policy Taskforce Briefing**

**Presenter(s):** David Noguera, Director of Housing and Neighborhood Revitalization  
Maureen Milligan, Interim Assistant Director, Housing and Neighborhood Revitalization  
Bill Hall, Housing Policy Taskforce Steering Committee, Chairman

**Information Only:** X

**Action Taken/Committee Recommendation (s)** CM Felder recommended that the Development Taskforce group rename the two Chairperson positions to Chairperson of Single-Family Development and Chairperson of Multifamily Development. CM Thomas requested information regarding boarding and transitional housing. CM Kleinman requested to be briefed on the feedback of the Qualified Allocation Plan (QAP) before making a recommendation. CM Felder recommends more outreach is done to advertise meetings e.g. City of Dallas website and advertised on the radio.

<b>Motion made by:</b> _____	<b>Motion seconded by:</b> _____
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

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

Meeting Adjourned: 10:03 A.M.

Approved By \_\_\_\_\_

DRAFT

# Memorandum



CITY OF DALLAS

DATE October 12, 2018

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

SUBJECT HUD Fair Housing Cooperative Grant

## **SUMMARY**

Staff from the Office of Equity and Human Rights (OEHR) requests City Council authorization to accept the HUD Fair Housing Cooperative Grant in the amount of \$279,900. This item is scheduled for City Council consideration and possible action on October 24, 2018.

## **BACKGROUND**

As a HUD certified Fair Housing Agency, the Office of Equity and Human Rights is eligible to receive federal grants for Fair Housing Enforcement. Since 1992, the City of Dallas has received an annual Cooperative Grant award from HUD. The grant amount for FY 18-19 is \$279,900 and will be used to pay salaries for 4 positions and will also provide funding for outreach and training.

The grant provides funding for three administrative and customer support positions: (1) Coordinator and (2) Sr. Office Assistants, as well as (1) Fair Housing Investigator. The administrative and support staff are on the front line in receiving walk in and phone complaints and inquiries from the public. They also provide support for public outreach and process and maintain all required HUD records. The Fair Housing Investigator position is responsible for investigating complaints of discrimination throughout the city. The grant also provides funding for outreach materials, advertising, fair housing education for the public and staff training.

## **ISSUE**

HUD has offered the City of Dallas a Cooperative Grant in the amount of \$279,900.

## **ALTERNATIVES**

If the grant is not accepted, it will negatively impact the City's ability to effectively enforce Fair Housing laws within the City of Dallas. The negative impact would come from a reduction in staff and funding necessary to conduct outreach and the training of staff.

## **FISCAL IMPACT**

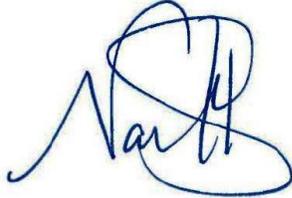
The grant provides \$279,900 and funds 4 positions. Coordination of grant acceptance will be provided by the Office of Financial Services.

October 12, 2018  
HUD Fair Housing Cooperative Grant

**STAFF RECOMMENDATION**

Staff recommends City Council approval and acceptance of the grant in the amount of \$279,900.

Please let me know if you have questions or need additional information.



Nadia Chandler Hardy  
Assistant City Manager and Chief of Resilience

c: The Honorable Mayor and the Members of City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (interim)  
Carol A. Smith, City Auditor (Interim)  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Directors and Assistant Directors

# Memorandum



DATE October 12, 2018

CITY OF DALLAS

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

SUBJECT **Development Agreement Amendments for the Drever (1401 Elm Street) TIF Project**

On January 22, 2014, City Council authorized a development agreement with Olympic 1401 Elm Associates, LLC ("Olympic") for a TIF subsidy not to exceed \$50,000,000 to reimburse costs associated with the 1401 Elm Street redevelopment project. The project proposed to renovate the former headquarters of the First National Bank of Dallas into 400 residential units. The building is 1.5 million square feet in size and encompasses an entire City block.

In January of 2016, the project's lenders foreclosed on the building and Olympic filed for bankruptcy. Drever 1401 Elm, LLC ("Drever") purchased the property in April of 2016. The development agreement and TIF subsidy for the redevelopment project was assigned from Olympic to Drever in May of 2016.

Since 2016, Drever has refined the development plan for the building to include 324 residential units, 218 hotel rooms, office and retail space. Drever has also completed interior demolition and environmental remediation, completed fireproofing and fire safing throughout the tower, negotiated state and federal historic tax credits totaling \$100M and negotiated a Property Assessed Clean Energy loan of \$31.5M. Drever has invested approximately \$90M in equity into the redevelopment project.

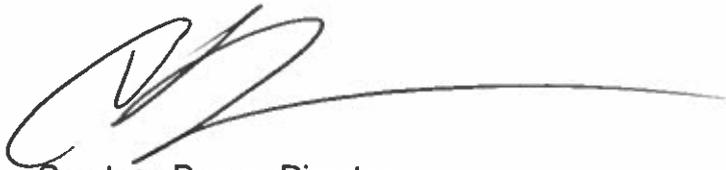
Due to the size of the building and complexity of the financing structure for the project, which involves federal and state historic tax credits, property assessed clean energy financing as well as layers of debt and equity, financial closing for the project has taken much longer than anticipated. The developer has finalized a capital stack of approximately \$430,000,000 to complete redevelopment of the building and financial closing is scheduled for October 25, 2018.

The lenders and investors for the project are concerned that delays in construction while the developer has been finalizing financing will prohibit completion of the project by the current deadline of December 31, 2019. As a result, the lenders and investors have required Drever to secure a one-year extension of the completion and Certificate of Occupancy deadline to December 31, 2020. The additional amendments to the development agreement ensure the project requirements reflect the revised development plan for the building.

DATE October 12, 2018  
SUBJECT Development Agreement Amendments for the Drever (1401 Elm Street) TIF Project

The developer has requested and the TIF Board has recommended the following amendments to the project's development agreement:

1. Extension of the project completion and Certificate of Occupancy deadlines from December 31, 2019 to December 31, 2020;
2. Reduction of the required minimum 387,000 square feet of residential space (approximately 400 units) to 350,000 square feet (approximately 324 units);
3. Revision of the requirement for non-residential, commercial space, including retail/restaurant and office space to:
  - a. add hotel space to the requirement
  - b. remove retail/restaurant space from the requirement and
  - c. increase the minimum square footage from 65,000 to 250,000 for the revised requirement
4. Addition of a separate requirement of a minimum of 20,000 square feet of retail/restaurant space; and
5. Increase the minimum investment requirement for project from \$100M to \$175M.

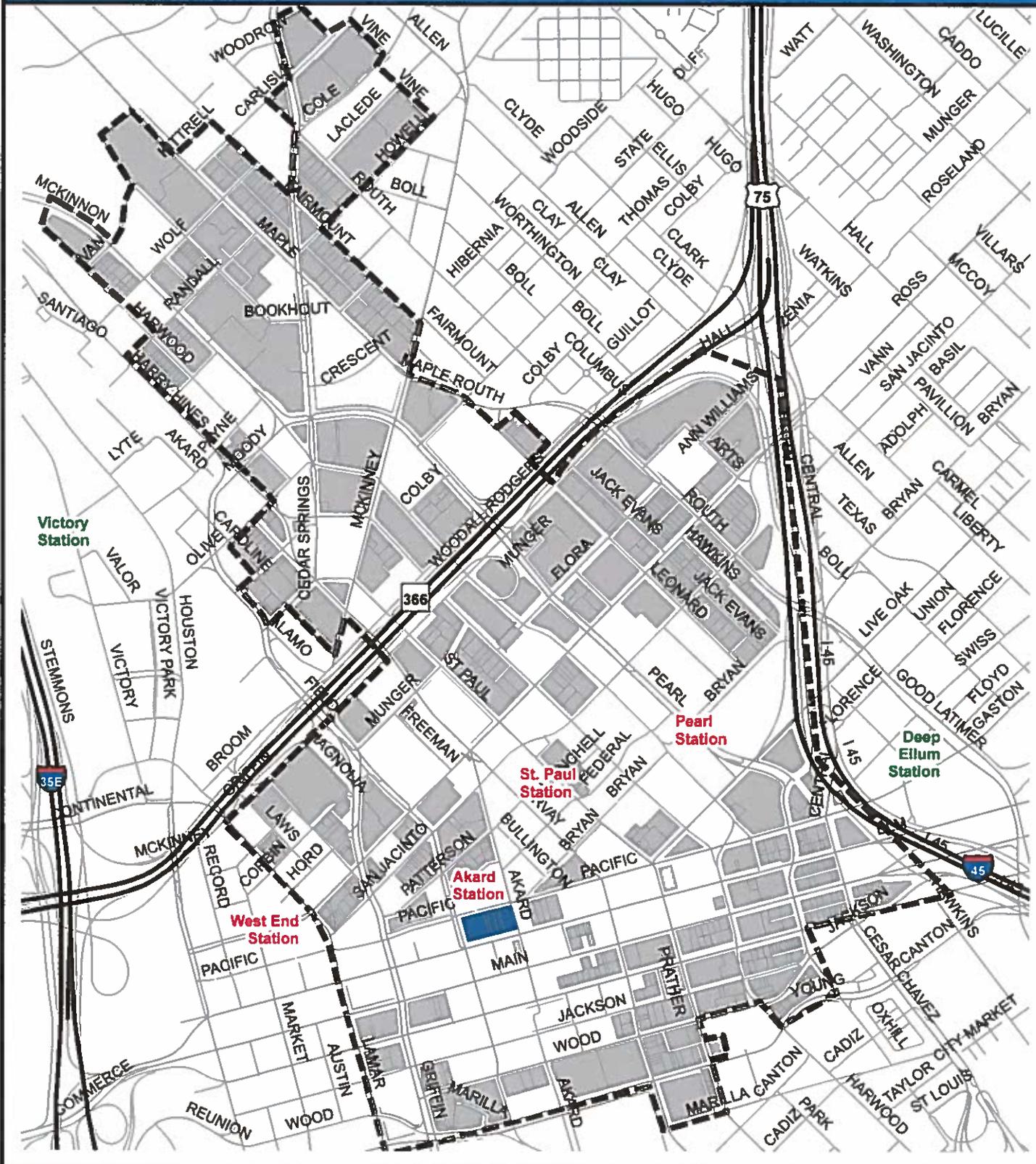


Courtney Pogue, Director  
Office of Economic Development

c: The Honorable Mayor and the Members of City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
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Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
M. Elizabeth Reich, Chief Financial Officer  
Directors and Assistant Directors

# The Drever - 1401 Elm Street Redevelopment Project



City of Dallas  
Office of Economic Development



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

Created 2/2013

## Legend

- The Olympic Project - 1401 Elm St.
- Downtown Connection TIF Boundary
- Downtown Connection TIF Parcels
- Properties Outside of TIF
- Rail Station
- DART Red Line
- DART Blue Line
- DART Green Line
- DART Orange Line
- Trinity Railway Express



## Visuals of Early-Release Work Completed



94% of the historic marble is removed. THC / NPS approved the refurbished marble mock installation (seen on the 3<sup>rd</sup> from right column crown)



Marble slabs are catalogued and prepared for shipment to refurbishing plants. 20% have been refurbished and first shipments have arrived on site.



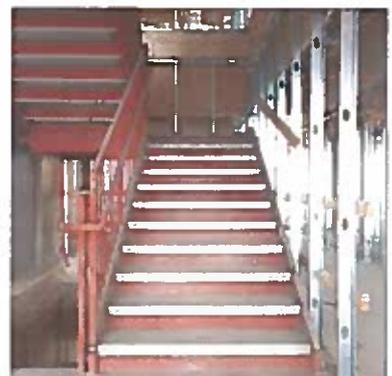
Floor cutouts were made and new steel ramps are installed from the street level to the added parking garage on fl. 6-8 (behind the windowless marble façade)



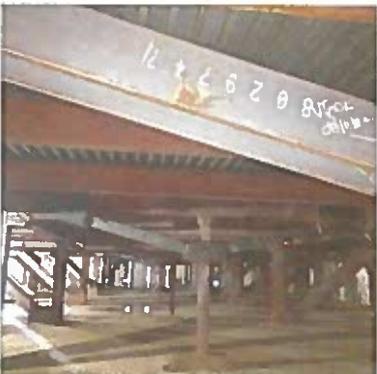
New steel structure is installed for restaurants and bars on the 75,000 sq.ft. amenity deck



New steel structure installed on fl. 9 (amenity deck) & 10 (above)



Three (3) additional staircases installed (from 2<sup>nd</sup> to 5<sup>th</sup>, 9<sup>th</sup>, and 49<sup>th</sup> floor)



New structural support steel was fabricated and it is installed on levels 6-7 (pictured level 7)



New structural support steel was fabricated and it is installed on levels 6-7 (pictured level 6)



Old concrete was removed to install new flooring finish on fl. 9 (amenity level)



**Elevator openings were cleared and new frames, sills and doors are installed on 15 floors**



**89% of steel unit separation wall framing is completed on 32 floors; 309 apartments and 174 hotel rooms have wall framing**



**Plumbing rough is installed and completed on 12 apartment floors**



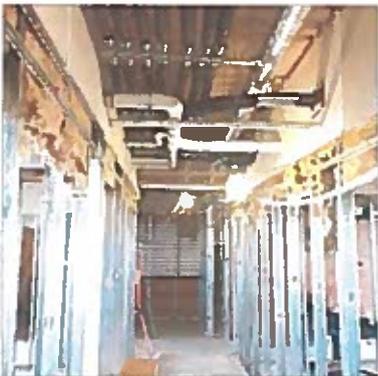
**28 high energy efficient VRV HVAC units are installed**



**New fireproofing and fire safing (not pictured) is completed throughout the tower**



**Mechanical rough - ductwork is installed on 12 apartment floors**



**Dry wall, insulation, and fire tape at ceiling is completed on 17 apartment floors**



**Fire sprinkler rough-in is installed on 7 apartment floors**



**Mechanical rough - refrigerant piping is installed on 12 apartment floors**



**Four (4) fire sprinkler standpipes are installed (standpipe pictured in west-end staircase)**



**Hotel corridor specifications and a corridor mockup are complete**



**Hotel room specifications and two fully furnished model rooms are complete *(No pictures allowed)***